Representatives of the following organizations are cooperating in the program:

Action for World Community.
American Ethical Union.
American Friends' Service Committee.
American Humanist Association.
Americans for Democratic Action.
Bach Mai Hospital Relief Fund.
Business Executives Move for New National Priorities.
Campaign for a Democratic Foreign Policy.
Church of the Brethren.
Clergy and Laity Concerned.
Disciples of Christ, Department of Church and Society.
Episcopal Peace Fellowship.
Friends' Committee on National Legislation.
Friends of Indochina Organizing Committee.
Indochina Mobile Education Project.
Indochina Resource Center.
Jesuit Conference, Office of Social Ministries.
Mennonite Central Committee, Peace Section.
National Council of Churches.
National Student Association.
Network.
Peace and Justice Committee, Leadership Conference of Women Religious Resource Center, United Methodist Office for the United Nations.
SANE.
Union of American Hebrew Congregations.
Unitarian Universalist Association.
United Church of Christ, Center for Social Action.
United Methodist Board of Global Ministries, Women's Division.
United Methodist Church, Board of Church and Society.
United Presbyterian Church, U.S.A.
Vietnamese American Reconciliation Center.
War Resisters' League.
Women's International League for Peace and Freedom.
Women Strike for Peace.
World Federalists, U.S.A.

We recognize a large number of organizations which served as Vietcong propaganda organs, a direct Communist Party operation, and several groups who were previously members of the Communist Party-dominated People's Coalition for Peace and Justice on the list of supporters.

My colleagues should not mistakenly think that the CNFP will give up its efforts when they fail to achieve all their goals this spring. America's enemies have stated repeatedly that they are waging a protracted war on many fronts and using many tactics, including the legislative. States the CNFP, "Only over time can we achieve the explicit changes in foreign policy which we desire."

REVENUE SHARING SHOULD BE RENEWED

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 26, 1976

Mr. ASHBROOK. Mr. Speaker, in 1972 our Nation initiated the general revenue sharing program. This program was enacted in recognition of the fact that the Federal Government had grown too powerful at the expense of State and local units of government. Its purpose was to transfer money and decisionmaking away from the Federal level and back to the local level.

Under this program approximately $6 billion in Federal tax receipts is distributed annually to State and local governments. Between January of 1972 and January of 1976, more than $23 billion was disbursed to about 39,000 State and local units of governments throughout the United States.

Very few restrictions are placed on the expenditure of these funds. Consequently State and local governments have great flexibility in deciding where best to spend the money. This is as it should be.

Unfortunately general revenue sharing now faces extinction. Unless Congress approves new legislation, the program will expire at the end of the year. This would have serious repercussions.

Revenue sharing has proven itself to be extremely valuable. It has strengthened government at the local level. People and their elected officials have been given a chance to determine for themselves local needs.

At a time when so much money and power is vested in Washington, D.C., bureaucrats, it is refreshing to have a program that emphasizes local decisionmaking. I remain firmly convinced that when it comes to local problems and local needs, Washington does not know best. As Secretary of the Treasury William Simon has said:

> There is no way that the Federal Government can spend this money more wisely than the local governments that see and feel the needs of their citizens daily

In addition, revenue sharing is playing a crucial role in many budgets. State, county, city, and township governments depend on revenue sharing funds to finance important projects and services. In fact, revenue sharing accounts for about 15 percent of all Federal aid to State and local governments.

Any discontinuance of these funds would have a devastating impact. Essential projects and services would either have to be discontinued or funded through higher taxes and/or increased indebtedness. Some units of government would be pushed toward financial chaos. In short, the question in many cases boils down to one of solvency or bankruptcy.

Revenue sharing has also made it possible for State and local governments to hold down taxes. Some governing units have been able to avoid new tax increases or even make tax reductions as a result of the program. This is especially beneficial to the overburdened property owner, who has had to endure the crushing weight of high property taxes.

One further point deserves mention. It is essential that when Congress extends revenue sharing that it avoid placing crippling restrictions on how the money is spent.

A key aspect of the program is its flexibility. The money is spent as the people and their elected representatives think best. It would be tragic if the program became loaded down with a host of Federal restrictions. Specific requirements as to how the money will be spent are inappropriate and would destroy the program's flexibility.

Some liberal Congressmen apparently believe they are the only ones who are capable of establishing spending priorities. This is pure hogwash. As Senator BILL BROCK of Tennessee has stated:

> Why is it that we in Congress always feel we have the answers, when in reality there is no single programmatic solution for the thousands of different local communities, each with separate and distinct problems.

Congress must not hopelessly bind revenue sharing in miles of redtape. Washington must not impose its own judgment on how local revenue sharing funds should be utilized. State and local units of government should be left free to make their own decisions on spending.

In summary, Mr. Speaker, we cannot afford to allow the general revenue sharing program to lapse. It is imperative that Congress act immediately to renew the program. It is also essential that Congress not add new restrictions and requirements that would cripple its effectiveness. Our Nation needs a strong and workable general revenue sharing program in the years ahead.

SENATE—*Monday, March 1, 1976*

The Senate met at 12 meridian and was called to order by Hon. DANIEL K. INOUYE, a Senator from the State of Hawaii.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Give attention to the words of the Book of Exodus:

*Six days shalt thou labour, and do all thy work: But the seventh day is the Sabbath of the Lord thy God: * * * wherefore the Lord blessed the Sabbath day, and hallowed it.*—Exodus 20: 9, 10a, 11b.

O Lord, teach us how to live by Thy creative pattern, the alternation between work and rest. Show us anew the divine principle that creative rest leads to productive work. Make sacred the day of rest and worship, the time of renewal, the pause that refreshes. Grant us the hard discipline of waiting, not in passiveness or indifference, but waiting with open heart and mind for Thy grace and wisdom which leads to creative action. With thanksgiving for the day just passed, we lay hold upon the truth of Thy word:

Wait on the Lord: be of good courage, and He shall strengthen Thine heart: wait, I say, on the Lord.—Psalms 27: 14.

Amen.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 1, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DANIEL K. INOUYE, a Senator from the State of Hawaii, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. INOUYE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, February 26, 1976, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the calendar for unobjected-to measures, under Senate rule VIII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. I ask unanimous consent that the Senate go into executive session to consider a nomination on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nomination will be stated.

AMERICAN REVOLUTION BICENTENNIAL ADMINISTRATION

The second assistant legislative clerk read the nomination of Jean McKee, of New York, to be Deputy Administrator.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of this nomination.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of items on the calendar, beginning with Calendar No. 623.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON AERONAUTICAL AND SPACE SCIENCES

The Senate proceeded to consider the resolution (S. Res. 368) authorizing additional expenditures by the Committee on Aeronautical and Space Sciences for inquiries and investigations, which had been reported from the Committee on Rules and Administration with an amendment on page 2, line 5, strike "$169,000," and insert "$117,000," so as to make the resolution read:

Resolved, That, in holding hearings, reporting such hearings, and making investigations authorized by section 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Aeronautical and Space Sciences, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent funds of the Senate, (2) employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $117,000, of which amount not to exceed $27,500 shall be available for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202 (i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1977.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendment was agreed to.

The resolution, as amended, was agreed to.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON AGRICULTURE AND FORESTRY

The Senate proceeded to consider the resolution (S. Res. 352) authorizing additional expenditures by the Committee on Agriculture and Forestry for inquiries and investigations, which had been reported from the Committee on Rules and Administration with an amendment on page 2, line 16, strike "committee." and insert "committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate."; so as to make the resolution read:

Resolved, That in holding hearings, reporting such hearings, and making investigations a authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Agriculture and Forestry, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $330,000, of which amount (1) not to exceed $12,455 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1977.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries paid at an annual rate.

The amendment was agreed to.

The resolution, as amended, was agreed to.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON ARMED SERVICES

The Senate proceeded to consider the resolution (S. Res. 387) authorizing additional expenditures by the Committee on Armed Services for inquiries and investigations, which had been reported from the Committee on Rules and Administration with amendments as follows:

On page 2, line 7, strike "$40,000" and insert "$20,000";

On page 2, line 20, strike "$568,000" and insert "$581,000,";

On page 2, line 20, strike "$568,000" and insert "$513,000";

On page 4, line 5, strike "$676,000," and insert "$601,000,";

So as to make the resolution read:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Armed Services, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, for the purposes stated and within the limitations imposed by the following sections, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The Committee on Armed Services is authorized from March 1, 1976, through February 28, 1977, to expend not to exceed $20,000 for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The Committee on Armed Services, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, to expend not to exceed $581,000, to examine, investigate, and make a complete study of any and all matters pertaining to each of the subjects set forth below in succeeding sections of this resolution, said funds to be allocated to the respective specific inquiries in accordance with such succeeding sections of this resolution.

SEC. 4. Not to exceed $513,000 shall be available for a general study or investigation of—

(1) the common defense generally;

(2) the Department of Defense, the Department of the Army, the Department of the Navy, and the Department of the Air Force generally;

(3) soldiers' and sailors' homes;

(4) pay, promotion, retirement, and other benefits and privileges of members of the Armed Forces;

(5) selective service;

(6) the size and composition of the Army, Navy, and Air Force;

(7) forts, arsenals, military reservations, and navy yards;

(8) ammunition depots;

(9) the maintenance and operation of the Panama Canal; including the administration, sanitation, and government of the Canal Zone;

(10) conservation, development, and use of naval petroleum and oil shale reserve;

(11) strategic and critical materials necessary for the common defense; and

(12) aeronautical and space activities peculiar to or primarily associated with the development of weapons systems or military operations.

SEC. 5. Not to exceed $68,000 shall be available for studies and investigations pertaining to military readiness and preparedness for the common defense generally.

SEC. 6. The committee shall report its findings, together with such recommendations for legislation as it deems advisable with respect to each study or investigation for which expenditure is authorized by this resolution, to the Senate at the earliest practicable date, but not later than February 28, 1977.

SEC. 7. Expenses of the committee under this resolution, which shall not exceed in the aggregate $601,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The amendments were agreed to.

The resolution, as amended, was agreed to.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS

The Senate proceeded to consider the resolution (S. Res. 369) authorizing additional expenditures by the Committee on Banking, Housing and Urban Affairs for inquiries and investigations, which had been reported from the Committee on Rules and Administration with amendments as follows:

On page 2, line 10, strike "$884,000" and insert "$860,000";

On page 2, line 16, strike "$477,000" and insert "$464,000";

On page 3, line 6, strike "$249,000" and insert "$242,300";

On page 3, line 9, strike "$158,000" and insert "$153,700";

On page 3, line 20, strike "committee." and insert "committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.";

So as to make the resolution read:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Banking, Housing and Urban Affairs or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, for the purposes stated and within the limitations imposed by the following sections, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The Committee on Banking, Housing and Urban Affairs, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, to expend not to exceed $860,000 to examine, investigate, and make a complete study of any and all matters pertaining to each of the subjects set forth below in succeeding sections of this resolution, said funds to be allocated to the respective specific inquiries in accordance with such succeeding sections of this resolution.

SEC. 3. Not to exceed $464,000 shall be available for a study or investigation of—

(1) banking and currency generally;

(2) financial aid to commerce and industry;

(3) deposit insurance;

(4) the Federal Reserve System, including monetary and credit policies;

(5) economic stabilization, production, and mobilization;

(6) valuation and revaluation of the dollar;

(7) prices of commodities, rents, and services;

(8) securities and exchange regulations;

(9) credit problems of small business; and

(10) international finance through agencies within legislative jurisdiction of the committee.

SEC. 4. Not to exceed $242,300 shall be available for a study or investigation of public and private housing and urban affairs generally.

SEC. 5. Not to exceed $153,700 shall be available for an inquiry and investigation pertaining to the securities industry.

SEC. 6. The committee shall report its findings, together with such recommendations for legislation as it deems advisable with respect to each study or investigation for which expenditure is authorized by this resolution, to the Senate at the earliest practicable date, but not later than February 28, 1977.

SEC. 7. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendments were agreed to.

The resolution, as amended, was agreed to.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON THE BUDGET

The Senate proceeded to consider the resolution (S. Res. 364) authorizing additional expenditures by the Committee on the Budget for inquiries and investigations, which had been reported from the Committee on Rules and Administration with amendments as follows:

On page 2, line 4, strike "$1,963,400," and insert "$1,930,000,";

On page 2, line 15, strike "committee." and insert "committee, except that couchers shall not be required for the disbursement of salaries of employees paid at an annual rate.";

So as to make the resolution read:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on the Budget, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department cr agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,930,000, of which amount not to exceed $65,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganizaton Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1977.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendments were agreed to.

The resolution, as amended, was agreed to.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON COMMERCE

The Senate proceeded to consider the resolution (S. Res. 374) authorizing additional expenditures by the Committee on Commerce for inquiries and investigations, which had been reported from the Committee on Rules and Administration with amendments as follows:

On page 2, line 19, strike "$2,459,700" and insert "$2,360,000";

On page 3, line 11, strike "$2,199,700" and insert "$2,100,000";

So as to make the resolution read:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Commerce, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, for the purposes stated and within the limitations imposed by the following sections, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The investigations referred to in section 1 shall include, but not be limited to, investigations of (1) national ocean policy, (2) tourism, and (3) regulatory reform. The investigation of national ocean policy shall be conducted in accordance with, and subject to the provisions of, S. Res. 222, Ninety-third Congress, agreed to February 19, 1974. The investigation of tourism shall be conducted in accordance with, and subject to the provisions of S. Res. 347, Ninety-third Congress, agreed to October 10, 1974. The investigation of regulatory reform shall be conducted in accordance with, and subject to the provisions of, S. 71, Ninety-fourth Congress, agreed to July 26, 1975.

SEC. 3. The Committee on Commerce is authorized from March 1, 1976, through February 28, 1977, to expend not to exceed $2,360,000 to examine, investigate, and make a complete study of any and all matters pertaining to each of the subjects set forth below in succeeding sections of this resolution, said funds to be allocated to the respective specific inquiries and to the procurement of the services of individual consultants or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, amended) in accordance with succeeding sections of this resolution.

SEC. 4. Not to exceed $260,000 shall be available to continue the study of the purpose and current effectiveness of certain Federal agencies auhorized under S. Res. 71, Ninety-fourth Congress, agreed to July 26, 1975, of which amount not to exceed $150,000 may be expended for the procurement of individual consultants or organizations thereof.

SEC. 5. Not to exceed $2,100,000 shall be available for studies or investigations of all other matters within the jurisdiction of the Committee on Commerce, of which amount not to exceed $200,000 may be expended for procurement of individual consultants or organizations thereof.

SEC. 6. The committee shall report its findings, together with such recommendations for legislation as it deems advisable with respect to each study or investigation for which expenditure is authorized by this resolution, to the Senate at the earliest practicable date, but not later than February 28, 1977.

SEC. 7. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendments were agreed to.

The resolution, as amended, was agreed to.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the resolution (S. Res. 367) authorizing additional expenditures by the Committee on the District of Columbia for inquiries and investigations, which had been reported from the Committee on Rules and Administration with an amendment on page 2, line 15, strike "committee." and insert "committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.";

So as to make the resolution read:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on the District of Columbia, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $201,600, of which amount not to exceed $40,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its finding, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1977.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employers paid at an annual rate.

The amendment was agreed to.

The resolution, as amended, was agreed to.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON FINANCE

The Senate proceeded to consider the resolution (S. Res. 349) authorizing additional expenditures by the Committee on Finance, for inquiries and investigations, which had been reported from the Committee on Rules and Administration with an amendment on page 1, line 11, strike "$430,000," and insert "$360,100,"; so as to make the resolution read:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Finance, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent fund of the Senate, and (2) to employ personnel.

SEC. 2. The expenses of the committee under this resolution shall not exceed $360,100, of which amount not to exceed $15,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1977.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendment was agreed to.

The resolution, as amended, was agreed to.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON FOREIGN RELATIONS

The Senate proceeded to consider the resolution (S. Res. 371) authorizing additional expenditures by the Committee on Foreign Relations for a study of matters pertaining to the foreign policy of the United States, which had been reported from the Committee on Rules and Administration with amendments as follows:

On page 2, line 6, strike "$1,167,940," and insert "$1,150,000,";

On page 2, line 14, strike "February 29, 1976." and insert "February 28, 1977.";

So as to make the resolution read:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Foreign Relations, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,150,000, of which amount not to exceed $60,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1977.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendments were agreed to.

The resolution, as amended, was agreed to.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON GOVERNMENT OPERATIONS

The Senate proceeded to consider the resolution (S. Res. 363) authorizing additional expenditures by the Committee on Government Operations for inquiries and investigations, which had been reported from the Committee on Rules and Administration with amendments as follows:

On page 2, line 7, strike "$2,859,785" and insert "$2,800,000";

On page 10, line 14, strike "$275,385" and insert "$265,000";

On page 11, line 16, strike "$296,700" and insert "$250,000";

On page 12, line 11, strike "$125,000" and insert "$122,000";

On page 13, line 18, strike "February 29, 1976." and insert "February 28, 1977.";

On page 13, line 20, strike "$2,859,785," and insert "$2,800,000,";

So as to make the resolution read:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Government Operations, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, for the purposes stated and within the limitations imposed by the following sections, in its discretion (1) to make expenditures from the contingent funds of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The Committee on Government Operations, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, to expend not to exceed $2,800,000 to examine, investigate, and make a complete study of any and all matters pertaining to each of the subjects set forth below in succeeding sections of this resolution, said funds to be allocated to the respective specific inquiries and to the procurement of the services of individual consultants or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended) in accordance with such succeeding sections of this resolution.

SEC. 3. Not to exceed $237,200 shall be available for a study or investigation of—

(1) budget and accounting measures, other than appropriations;

(2) reorganizations in the executive branch of the Government;

(3) reports of the Comptroller General of the United States and recommendations deemed necessary or desirable in connection with such reports;

(4) the operation of Government activities at all levels with a view to determining its economy and efficiency;

(5) the effects of laws enacted to reorganize the legislative and executive branches of the Government; and

(6) the intergovernmental relationships between the United States and the States, municipalities, and international organizations;

of which amount not to exceed $15,000 may be expended for the procurement of individual consultants or organizations thereof.

SEC. 4. Not to exceed $375,000 shall be available for the continuation of the study authorized under S. Res. 71, Ninety-fourth Congress, agreed to July 26 (legislative day, July 21), 1975, of which amount not to exceed $95,000 may be expended for the procurement of consultants or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended). The date for submission of the joint report of the Committee on Commerce and the Committee on Government Operations on the findings of the study authorized by such resolution is extended to February 28, 1977, and the authority conferred by section 3 of such resolution is extended through February 28, 1977.

SEC. 5. (a) Not to exceed $1,143,000 shall be available for a study or investigation of—

(1) the efficiency and economy of operations of all branches of the Government including the possible existence of fraud, misfeasance, malfeasance, collusion, mismanagement, incompetence, corruption, or unethical practices, waste, extravagance, conflicts of interest, and the improper expenditure of Government funds in transactions, contracts, and activities of the Government or of Government officials and employees and any and all such improper practices between Government personnel and corporations, individuals, companies, or persons affiliated therewith, doing business with the Government; and the compliance or noncompliance of such corporations, companies, or individuals or other entities with the rules, regulations, and laws governing the various governmental agencies and its relationships with the public: *Provided*, That, in carrying out the duties herein set forth, the inquiries of this committee or any subcommittee thereof shall not be deemed limited to the records, functions, and operations of the particular branch of the Government under inquiry, and may extend to the records and activities of persons, corporations, or other entities dealing with or affecting that particular branch of the Government;

(2) the extent to which criminal or other improper practices of activities are, or have been, engaged in the field of labor-management relations or in groups or organizations of employees or employers, to the detriment of interests of the public, employers, or employees, and to determine whether any changes are required in the laws of the United States in order to protect such interests against the occurrence of such practices or activities;

(3) syndicated or organized crime which may operate in or otherwise utilize the facilities of interstate or international commerce in furtherance of any transactions which are in violation of the law of the United States or of the State in which the transactions occur, and, if so, the manner and extent to which, and the identity of the persons, firms, or corporations, or other entities by whom such utilization is being made, what facilities, devices, methods, techniques, and technicalities are being used or employed, and whether or not organized crime utilizes such interstate facilities or otherwise operates in interstate commerce for the development of corrupting influences in violation of the law of the United States or the laws of any State, and further, to study and investigate the manner in which and the extent to which persons engaged in organized criminal activities have infiltrated into lawful business enterprise; and to study the adequacy of Federal laws to prevent the operations of organized crime in interstate or international commerce; and to determine whether any changes are required in the laws of the United States in order to protect the public against the occurrences of such practices or activities;

(4) all other aspects of crime and lawlessness within the United States which have an impact upon or affect the national health, welfare, and safety;

(5) riots, violent disturbances of the peace, vandalism, civil and criminal disorder, insurrection, the commission of crimes in connection therewith, the immediate and long-standing causes, the extent and effects of such occurrences and crimes, and measures necessary for their immediate and long-range prevention and for the preservation of law and order and to insure domestic tranquility within the United States;

(6) the efficiency and economy of operations of all branches and functions of the Government with particular reference to—

(A) the effectiveness of present national security methods, staffing, and processes as tested against the requirements imposed by the rapidly mounting complexity of national security problems;

(B) the capacity of present national security staffing, methods, and processes to make full use of the Nation's resources of knowledge, talents, and

(C) the adequacy of present intergovernmental relationships between the United States and international organizations principally concerned with national security of which the United States is a member; and

(D) legislative and other proposals to improve these methods, processes, and relationships;

(7) the efficiency, economy, and effectiveness of all agencies and departments of the Government involved in the control and management of energy shortages including, but not limited to, their performance with respect to—

(A) the collection and dissemination of accurate statistics on fuel demand and supply;

(B) the implementation of effective energy conservation measures;

(C) the pricing of energy in all forms;

(D) coordination of energy programs with State and local government;

(E) control of exports of scarce fuels;

(F) the management of tax, import, pricing, and other policies affecting energy supplies;

(G) maintenance of the independent sector of the petroleum industry as a strong competitive force;

(H) the allocation of fuels in short supply by public and private entities;

(I) the management of energy supplies owned or controlled by the Government;

(J) relations with other oil producing and consuming countries;

(K) the monitoring of compliance by governments, corporations, or individuals with the laws and regulations governing the allocation, conservation, or pricing of energy supplies; and

(L) research into the discovery and development of alternative energy supplies;

Provided, That, in carrying out the duties herein set forth, the inquires of this committee or any subcommittee thereof shall not be deemed limited to the records, functions, and operations of the particular branch of the Government under inquiry, and may extend to the records and activities of per-

sons, corporations, or other entities dealing with or affecting that particular branch of the Government;

of which amount not to exceed $20,000 may be expended for the procurement of the services of individual consultants or organizations thereof.

(b) Nothing contained in this section shall affect or impair the exercise by any other standing committee of the Senate of any power, or the discharge by such committee of any duty, conferred or imposed upon it by the Standing Rules of the Senate or by the Legislative Reorganization Act of 1946, as amended.

(c) For the purpose of this section the committee, or any duly authorized subcommittee thereof, or its chairman, or any other member of the committee or subcommittee designated by the chairman, from March 1, 1976, through February 28, 1977, is authorized, in its, his, or their discretion, (1) to require by subpena or otherwise the attendance of witnesses and production of correspondence, books, papers, and documents, (2) to hold hearings, (3) to sit and act at any time or place during the sessions, recesses, and adjournment periods of the Senate, (4) to administer oaths, and (5) to take testimony, either orally or by sworn statement.

SEC. 6. Not to exceed $407,500 shall be available for a study or investigation of intergovernmental relationships between the United States and the States and municipalities, including the fiscal interrelationship between the Federal Government and State and local governments and the manner in which Federal assistance is disbursed to State and local governments, and including an evaluation of studies, reports, and recommendations made thereon and submitted to the Congress by the Advisory Commission on Intergovernmental Relations pursuant to the provisions of Public Law 86-380, approved by the President on September 24, 1959, as amended by Public Law 89-733, approved by the President on November 2, 1966; of which amount not to exceed $15,000 may be expended for the procurement of the services of individual consultants or organizations thereof.

SEC. 7. Not to exceed $265,000 shall be available for a study or investigation of the efficiency and economy of operations of the Federal Government with respect to—

(1) policies, procedures, and activities affecting—

(A) the accounting, financial reporting, and expenditures;

(B) the oversight of Federal agency and program performance and effectiveness;

(C) the development and effectiveness of fiscal, budgetary, and program information systems and controls; and

(D) the development and improvement of management capability and efficiency;

(2) policies, procedures, and activities affecting—

(A) preparation and submission of Federal regulatory agency budgets to Congress; and

(B) data collection and dissemination by Federal regulatory agencies; and

(3) review and evaluation of procedures and legislation with respect to Federal advisory committees, Federal reports, questionnaires, interrogatories;

of which amount not to exceed $15,000 may be expended for the procurement of services of individual consultants or organizations thereof.

SEC. 8. Not to exceed $250,000 shall be available for a study or investigation of the efficiency and economy of operations of all branches of the Government with respect to—

(1) Federal spending practices, particularly Federal procurement, and the laws, regulations, and procedures governing Federal contracts, grants, transfer payments, and other spending arrangements; the Office of Federal Procurement Policy and other executive branch organizations responsible for Federal spending practices;

(2) the efficiency and economy of Federal spending practices, as applied and used to meet agency statutory charters and program objectives; and

(3) all measures relating to the open public conduct of the meetings of all branches of the Government;

of which amount not to exceed $15,000 may be expended for the procurement of the services of individual consultants or organizations thereof.

SEC. 9. Not to exceed $122,300 shall be available for a study or investigation of the economy, efficiency, and productivity of the operations of the Federal Government with respect to—

(1) the development of—

(A) methods and procedures to effectively oversee the operations of the executive branch; and

(B) methods by which Federal programs may be effectively reviewed and analyzed;

(2) budget measures, other than appropriations, or matters within the jurisdiction of the Committee on the Budget as provided in the Congressional Budget and Impoundment Control Act of 1974, including—

(A) the formulation and submission to Congress of budget recommendations by the President; and

(B) the review and authorization of budget requirements by the Congress; and

(C) the execution and control of authorized budget obligations and expenditures; and

(3) the utilization and disposal of Federal property and administrative services, including the management of Federal records and archives; and

(4) the evaluation of efforts to reduce the volume of Federal paperwork;

of which amount not to exceed $4,000 may be expended for the procurement of services of individual consultants or organizations thereof.

SEC. 10. The committee shall report its findings, together with such recommendations for legislation as it deems advisable with respect to each study or investigation for which expenditure is authorized by this resolution, to the Senate at the earliest practicable date, but not later than February 28, 1977.

SEC. 11. Expenses of the committee under this resolution, which shall not exceed in the aggregate $2,800,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for this disbursement of salaries of employees paid at an annual rate.

The amendments were agreed to.

The resolution, as amended, was agreed to.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

The resolution (S. Res. 360) authorizing additional expenditures by the Committee on Interior and Insular Affairs for inquiries and investigations, was considered and agreed to, as follows:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Interior and Insular Affairs, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency, and (4) to consent to the assignment of personnel of other committees of the Senate to assist in carrying out the purposes of section 3 of this resolution. Travel and other expenses, other than salary, of any personnel from other committees assigned to the committee pursuant to this paragraph for the purposes of section 3 of this resolution may be paid under this resolution.

SEC. 2. The expenses of the committee under this resolution shall not exceed $659,900, of which amount not to exceed $40,000 shall be available for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. (a) The committee shall continue the study of national fuels and energy policy authorized pursuant to S. Res. 45, agreed to on May 3, 1971. In carrying out the purposes authorized by S. Res. 45, the committee shall make—

(i) a full and complete investigation and study (including the holding of public hearings in appropriate parts of the Nation) of the current and prospective fuel and energy resources and requirements of the United States and the present and probable future alternative procedures and methods for meeting anticipated requirements, consistent with achieving other national goals, including the high priorities—national security and environmental protection; and

(ii) a full and complete investigation and study of the existing and prospective governmental policies and laws affecting the fuels and energy industries with the view of determining what, if any, changes and implementation of these policies and laws may be advisable in order to simplify, coordinate, and provide effective and reasonable national policy to assure reliable and efficient sources of fuel and energy adequate for a balanced economy and for the security of the United States, taking into account: the Nation's environmental concerns, the investments by public and private enterprise for the maintenance of reliable, efficient, and adequate sources of energy and fuel and necessary related industries, and the need for maintenance of an adequate force of skilled workers.

(b) In carrying out the investigations set forth in S. Res. 45, agreed to on May 3, 1971, the committee shall, in addition to such other matters as it may deem necessary, give consideration to—

(i) the proved and predicated availabilities of our national fuel and energy resources in all forms and factors pertinent thereto, as well as to worldwide trends in consumption and supply;

(ii) projected national requirements for the utilization of these resources for energy production and other purposes, both to meet short-range needs and to provide for future demand for the years 2000 and 2020;

(iii) the interests of the consuming public, including the availability in all regions of the country of an adequate supply of energy and fuel at reasonable prices and including the maintenance of a sound com-

petitive structure in the supply and distribution of energy and fuel to both industry and the public;

(iv) technology developments affecting energy and fuel production, distribution, transportation, and/or transmission, in progress and in prospect, including desirable areas for further exploration and technological research, development, and demonstration;

(v) the effect that energy producing, transportation, upgrading, and utilization has upon conservation, environmental, and ecological factors, and vice versa;

(vi) the effect upon the public and private sectors of the economy of any recommendations made under this study, and of existing governmental programs and policies now in effect;

(vii) the effect of any recommendations made pursuant to this study on economic concentrations in industry, particularly as these recommendations may affect small business enterprises engaged in the production, processing, and distribution of energy and fuel;

(viii) governmental programs and policies now in operation, including not only their effect upon segments of the fuel and energy industries, but also their impact upon related and competing sources of energy and fuel and their interaction with other governmental goals, objectives, and programs; and

(ix) the need, if any, for legislation designed to effectuate recommendations in accordance with the above and other relevant considerations, including such proposed amendments to existing laws as necessary to integrate existing laws into an effective long-term fuels and energy program.

(c) In furtherance of the purposes of S. Res. 45, agreed to on May 3, 1971, the chairman and ranking minority member of each of the Committees on Aeronautical and Space Sciences, on Commerce, on Finance, on Foreign Relations, on Government Operations, on Labor and Public Welfare, and on Public Works, or members of such committees designated by such chairmen and ranking minority members to serve in their places, and the ranking majority and minority Senate members of the Joint Committee on Atomic Energy, or Senate members of such committee designated by such ranking majority and minority members to serve in their places, shall participate and shell serve as ex officio members of the Committee for the purpose of conducting the Senate's National Fuels and Energy Policy Study.

(d) The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1977.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

RESOLUTION PASSED OVER

The resolution (S. Res. 375) authorizing additional expenditures by the Committee on the Judiciary for inquiries and investigations was announced as next in order.

Mr. MANSFIELD. Over.

The ACTING PRESIDENT pro tempore. The resolution will be passed over.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON LABOR AND PUBLIC WELFARE

The Senate proceeded to consider the resolution (S. Res. 361) authorizing additional expenditures by the Committee on Labor and Public Welfare for inquiries and investigations, which had been reported from the Committee on Rules and Administration with amendments as follows:

On page 2, line 4, strike "$2,000,000," and insert "$1,950,000,";

On page 2, line 15, strike "committee." and insert "committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.";

So as to make the resolution read:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Labor and Public Welfare, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,950,000, of which amount not to exceed $65,000 shall be available for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1977.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendments were agreed to.

The resolution, as amended, was agreed to.

EXPENDITURES BY THE COMMITTEE ON POST OFFICE AND CIVIL SERVICE

The Senate proceeded to consider the resolution (S. Res. 365) authorizing expenditures by the Committee on Post Office and Civil Service, which had been reported from the Committee on Rules and Administration with an amendment on page 2, line 11, strike "committee." and insert "committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate."; so as to make the resolution read:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(e) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Post Office and Civil Service, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $165,000.

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1977.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendment was agreed to.

The resolution, as amended, was agreed to.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON PUBLIC WORKS

The resolution (S. Res. 354) authorizing additional expenditures by the Committee on Public Works, for inquiries and investigations, was considered and agreed to, as follows:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Public Works, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis, the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $926,700, of which amount not to exceed $5,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202 (i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $500 may be expended for the training of professional staff of such committee, or any subcommittee thereof (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1977.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON VETERANS' AFFAIRS

The Senate proceeded to consider the resolution (S. Res. 372) authorizing additional expenditures by the Committee on Veterans' Affairs for inquiries and investigations, which had been reported from the Committee on Rules and Administration with an amendment on page 2, line 16, strike "committee." and insert "committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate."; so as to make the resolution read:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Veterans' Affairs, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $318,600, of which amount (1) not to exceed $60,000 may be expended for the procurement of the services of individual consultants or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1977.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendment was agreed to.

The resolution, as amended, was agreed to.

ADDITIONAL EXPENDITURES BY THE SELECT COMMITTEE ON SMALL BUSINESS

The Senate proceeded to consider the resolution (S. Res. 362) authorizing additional expenditures by the Select Committee on Small Business, which had been reported from the Committee on Rules and Administration with an amendment on page 2, line 18, strike "$252,500," and insert "$234,000,"; so as to make the resolution read:

Resolved, That the Select Committee on Small Business, in carrying out the duties imposed upon it by S. Res. 58, Eighty-first Congress, agreed to February 20, 1950, as amended and supplemented, is authorized to examine, investigate, and make a complete study of the problems of American small and independent business and to make recommendations concerning those problems to the appropriate legislative committee of the Senate.

SEC. 2. For purposes of this resolution, the committee, or any subcommittee thereof, is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency, (4) to procure the temporary services (not in excess of one year) or intermittent services of individual consultants, or organizations thereof, in the same manner and under the same conditions as a standing committee of the Senate may procure such services under section 202(i) of the Legislative Reorganization Act of 1946, and (5) to provide assistance for the members of its professional staff in obtaining specialized training, in the same manner and under the same conditions as any such standing committee may provide that assistance under section 202(j) of such Act.

SEC. 3. The expenses of the committee under this resolution shall not exceed $234,000, of which amount not to exceed $2,500 may be expended for the procurement of the services of individual consultants, or organizations thereof.

SEC. 4. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1977.

SEC. 5. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendment was agreed to.

The resolution, as amended, was agreed to.

ADDITIONAL EXPENDITURES BY THE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

The Senate proceeds to consider the resolution (S. Res. 376) continuing and authorizing additional expenditures by the Select Committee on Nutrition and Human Needs, which had been reported from the Committee on Rules and Administration with an amendment on page 3, line 3, strike "committee." and insert "committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate."; so as to make the resolution read:

Resolved, That the Select Committee on Nutrition and Human Needs, established by S. Res. 281, Ninetieth Congress, agreed to on July 30, 1968, as amended and supplemented, is hereby extended through February 28, 1977.

SEC. 2. (a) In study matters pertaining to the lack of food, medical assistance, and other related necessities of life and health, the Select Committee on Nutrition and Human Needs is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, (3) to subpoena witnesses and documents, (4) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel, information, and facilities of any such department or agency, (5) to procure the temporary services (not in excess of one year) or intermittent services of individual consultants, or organizations thereof, in the same manner and under the same conditions as a standing committee of the Senate may procure such services under section 202(i) of the Legislative Reorganization Act of 1946, (6) to interview employees of the Federal, State, and local governments and other individuals, and (7) to take depositions and other testimony.

(b) The minority shall receive fair consideration in the appointment of staff personnel pursuant to this resolution. Such personnel assigned to the minority shall be accorded equitable treatment with respect to the fixing of salary rates, the assignment of facilities, and the accessibility of committee records.

SEC. 3. The expenses of the committee under this resolution shall not exceed $439,000 of which amount not to exceed $25,000 shall be available for the procurement of the services of individual consultants, or organizations thereof.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendment was agreed to.

The resolution, as amended, was agreed to.

ADDITIONAL EXPENDITURES BY THE SPECIAL COMMITTEE ON AGING

The resolution (S. Res. 373) continuing, and authorizing additional expenditures by, the Special Committee on Aging, was considered and agreed to, as follows:

Resolved, That the Special Committee on Aging, established by S. Res. 33, Eighty-seventh Congress, agreed to on February 13, 1961, as amended and supplemented, is hereby extended through February 28, 1977.

SEC. 2. (a) The committee shall make a full and complete study and investigation of any and all matters pertaining to problems and opportunities of older people, including, but not limited to, problems and opportunities of maintaining health, of assuring adequate income, of finding employment, of engaging in productive and rewarding activity, of securing proper housing, and, when necessary, of obtaining care or assistance. No proposed legislation shall be referred to such committee, and such committee shall not have power to report by bill, or otherwise have legislative jurisdiction.

(b) A majority of the members of the committee or any subcommittee thereof shall constitute a quorum for the transaction of business, except that a lesser number, to be fixed by the committee, shall constitute a quorum for the purpose of taking sworn testimony.

SEC. 3. (a) For purposes of this resolution, the committee is authorized from March 1, 1976, through February 28, 1977, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to hold hearings, (3) to sit and act at any time or place during the sessions, recesses, and adjournment periods of the Senate, (4) to require by subpena or otherwise the attendance of witnesses and the production of correspondence, books, papers, and documents, (5) to administer oaths, (6) to take testimony orally or by deposition, (7) to employ personnel, (8) with the prior consent of the

Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel, information, and facilities of any such department or agency, and (9) to procure the temporary services (not in excess of one year) or intermittent services of individual consultants, or organizations thereof, in the same manner and under the same condition as a standing committee of the Senate may procure such services under section 202(i) of the Legislative Reorganization Act of 1946.

(b) The minority shall receive fair consideration in the appointment of staff personnel pursuant to this resolution. Such personnel assigned to the minority shall be accorded equitable treatment with respect to the fixing of salary rates, the assignment of facilities, and the accessibility of committee records.

SEC. 4. The expenses of the committee under this resolution shall not exceed $507,000, of which amount not to exceed $20,000 shall be available for the procurement of the services of individual consultants or organizations thereof.

SEC. 5. The committee shall report the results of its study and investigation, together with such recommendations as it may deem advisable, to the Senate at the earliest practicable date, but not later than February 28, 1977. The committee shall cease to exist at the close of business on February 28, 1977.

SEC. 6. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

ADDITIONAL EXPENDITURES BY THE SELECT COMMITTEE TO STUDY GOVERNMENTEAL OPERATIONS WITH RESPECT TO INTELLIGENCE ACTIVITIES

The Senate proceeded to consider the resolution (S. Res. 377) authorizing additional expenditures by the Select Committee To Study Governmental Operations With Respect to Intelligence Activities for an inquiry and investigation relating to intelligence activities carried out by or on behalf of the Federal Government, and extending the date for submission of the final report of such select committee, which had been reported from the Committee on Rules and Administration with amendments as follows:

On page 2, line 3, strike "$400,000," and insert "$300,000,";

On page 2, line 4, strike "$15,000" and insert "$5,000";

So as to make the resolution read:

Resolved, That the date for submission of the final report of the Select Committee To Study Governmental Operations With Respect to Intelligence Activities of the results of the investigation and study conducted pursuant to S. Res. 21, Ninety-fourth Congress, is extended to March 15, 1976, and after the submission of its final report the select committee shall have until May 31, 1976, to close its affairs and shall cease to exist at the close of such day.

SEC. 2. The expenses of the select committee from March 1, 1976, through May 31, 1976, shall not exceed $300,000, of which amount not to exceed $5,000 may be expended for the procurement of individual consultants or organizations thereof. Such expenses shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the select committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendments were agreed to.

The resolution, as amended, was agreed to.

CONTINUING AND ADDITIONAL EXPENDITURES BY THE SPECIAL COMMITTEE ON NATIONAL EMERGENCIES AND DELEGATED EMERGENCY POWERS

The Senate proceeded to consider the resolution (S. Res. 370) continuing, and authorizing additional expenditures by, the Special Committee on National Emergencies and Delegated Emergency Powers, which had been reported from the Committee on Rules and Administration with amendments as follows:

On page 2, line 24, strike "February 28, 1976." and insert "February 29, 1976.";

On page 3, line 4, strike "committee." and insert "committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.";

So as to make the resolution read:

Resolved, That the Special Committee on National Emergencies and Delegated Emergency Powers, established by S. Res. 9, Ninety-third Congress, agreed to January 6, 1973, as continued and supplemented by S. Res. 242, Ninety-third Congress, agreed to March 1, 1974, and S. Res. 10, Ninety-fourth Congress, agreed to July 26, 1975, is continued through April 30, 1976, or thirty days after the bill entitled "An Act to terminate certain authorities with respect to national emergencies still in effect, and to provide for orderly implementation and termination of future national emergencies" (H.R. 3884) or other comparable legislation has been enacted into law, whichever shall first occur.

SEC. 2. In carrying out such function, the special committee is authorized from March 1, 1976, through April 30, 1976, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, (3) to hold hearings, (4) to sit and act at any time or place during the sessions, recesses, and adjourned periods of the Senate, (5) to require, by subpena or otherwise, the attendance of witness and the production of correspondence, books, papers, and documents, (6) to take depositions and other testimony, and (7) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 3. For the period from March 1, 1976, through April 30, 1976, the expenses of the special committee under this resolution shall not exceed $12,500.

SEC. 4. The special committee shall make the final report required by section 5 of that S. Res. 9, Ninety-third Congress, and modified by S. Res. 242, Ninety-third Congress, and S. Res. 10, Ninety-fourth Congress, not later than May 31, 1976, instead of *February 29, 1976*.

SEC. 5. Expenses of the special committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the two chairmen of the special *committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.*

The amendments were agreed to.

The resolution, as amended, was agreed to.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I wish at this time to yield my 10 minutes to the distinguished Senator from Massachusetts (Mr. KENNEDY), after the acting minority leader has been recognized.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma is recognized.

Mr. BARTLETT. I yield back my time.

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts is recognized.

TAX REFORM: DREAM OR REALITY

Mr. KENNEDY. Mr. President, two prominent economists, Joseph Pechman and George Break, entitled their recent book, "Tax Reform: The Impossible Dream?" In view of the fate of tax reform efforts by Congress in recent years, the question cannot be regarded as simply part of a catchy title. The question is a serious one. A review of the tax legislation enacted since the 1969 Tax Reform Act by and large would suggest that the dream is in fact an impossible one.

True, Congress has enacted badly needed tax reductions for low- and middle-income workers. But apart from these worthwhile structural actions, the tax legislation passed by Congress in the past 6 years has generally been the antithesis of tax reform. Indeed, a major tax reform bill could be enacted if we simply repealed the tax legislation—other than the structural tax reductions—enacted since 1969.

However, the Senate is now presented with the opportunity to turn tax reform from an impossible dream into reality. My purpose in addressing the Senate today is to outline the constructive steps that I believe can and should be taken to give American taxpayers the reality of true tax reform.

THE OPPORTUNITY FOR TAX REFORM

Tax reform is one of the most important domestic issues facing the United States. Perhaps the most important legislation this session of Congress will adopt in 1976 is the major tax bill now pending in the Senate Finance Committee—H.R. 10612, "The Tax Reform Act of 1975." That bill passed the House of Representatives last December. It represents a significant and valuable cornerstone on which the Senate can build. It contains provisions to reform our income tax laws in many critical areas. In several respects, the measures contained in the House bill are close to the reforms that many of us in the Senate have recommended previously, such as the provisions dealing with tax shelters and the minimum tax. Even here, however, the provisions can and should be strengthened and improved.

In the coming weeks, I intend to provide detailed and specific suggestions to

insure that the use of syndicated "tax shelters" will be eliminated and that the minimum tax will realize its full potential for insuring that wealthy Americans pay their fair share of income taxes. In addition, I will propose that the Senate add significant reforms in other areas of tax injustice that are in glaring need of change—most notably the taxation of capital gains on transfers at death or by gift.

But for the moment I urge my colleagues to join in recognizing that the House passed bill represents a solid step in the direction of tax reform—a step that gives us a real chance this year for a constructive effort to improve our Federal income tax system. If all we do is extend the tax reductions scheduled to expire this June, the effort will have failed. The opportunity is at hand to do a better job. We owe it to the American people—especially the low- and middle-income workers who pay a disproportionate share of total income taxes—to see that the opportunity is not wasted.

THE NEED FOR TAX REFORM

The data that regularly issue forth from the Treasury and other sources provide continuing evidence of the need for tax reform. In 1973, over 3,000 persons with adjusted gross incomes in excess of $50,000 paid no Federal income tax at all. This privileged group represents the wealthiest one-half of 1 percent of all families in the United States. Yet they paid not one dime in Federal income tax.

What do these data—drawn from dry statistical tables—mean to the average wage earner in real everyday terms? The data meant that average working families making $7,500 to $15,000 per year must pay higher taxes than they should have to pay for Federal programs, or that they must accept reduced Federal services. The average taxpayer does not have to be—and should not be—put to this choice.

The House Ways and Means Committee examined actual returns filed by some of these wealthy "nontaxpayers." The picture painted by these returns constituted a source of discouragement and cynicism for the average worker, who pays his income taxes at the rates prescribed by the Internal Revenue Code. Consider these actual cases:

A corporate executive with $155,000 of income paid no taxes because of tax shelters in movies;

A lawyer with $151,000 of income paid no taxes because of tax shelters in cattle; and

A businessman with $262,000 and a doctor with $105,000 of income paid no taxes because of tax shelters in real estate.

Of course, the operation of income tax preferences and tax shelters is not limited to those instances in which the combination of tax preferences produces no Federal tax liability. These cases are only the tip of the iceberg. Beneath the surface is the massive corrosive influence of many more thousands of wealthy individuals, paying tax at effective rates equal to or lower than those paid by the lowest bracket wage earners in the United States. Other examples tell the story;

The corporate executive with $448,000 of income who paid tax at an effective rate of three-tenths of 1 percent;

The stockbroker with $181,000 of income who paid tax at an effective rate of one-half of 1 percent; and

The corporate executive with $1,875,000 of income who paid tax at an effective rate of 5.3 percent.

Nor is the need for income tax reform confined to the individual income tax. The corporate income tax system reveals equally great inequities. Basically, the corporate income tax provides for a 48-percent rate on net profits by large corporations—historically those with taxable incomes above $25,000. Until last year, small corporations—those with taxable income below $25,000—were taxed at a 22-percent rate. But information filed with the Securities and Exchange Commission reveals how far the reality of the corporate income tax deviated from this norm.

For example, in 1974, Westinghouse, one of the nine largest corporations in the country, paid tax on its net profits at a rate of only 16.1 percent—25 percent less than the rate applicable to small corporations.

The corporate income tax not only fails to operate fairly between large and small companies—it is not even equitable between companies competing in the same market. For example, among banks in 1974, the effective tax rates ranged from 35.7 percent paid by Citicorp, to 18.1 percent paid by Manufacturers Hanover, to 3.6 percent paid by Wells Fargo.

In the weeks ahead, as the Senate moves more deeply into the process of considering the tax reform bill before it, I shall present in more concrete detail the case for Federal income tax reform. But these data, even in this brief form, demonstrate clearly the pressing need for tax reform.

ACHIEVING TAX REFORM

The Senate has the opportunity for tax reform and the need is clear. Let me now turn to the concrete and constructive actions I believe are necessary if tax reform is to become a reality.

First, we must articulate and apply clear and consistent principles in voting for tax reform measures.

Taxation has come to represent a dense and virtually incomprehensible subject to the average American. But it is essential that we speak plainly and simply to the American people if we are to achieve any significant tax reform. The language of the tax laws may be sophisticated and complex, but the principles of tax reform need not be incomprehensible to the ordinary citizen who pays the tax.

We can best achieve this goal if we reaffirm the two basic principles of tax fairness that govern our Federal income tax system:

Persons with the same amount of net income should pay the same amount of Federal income tax; and

Persons with greater amounts of net income should make a relatively greater tax contribution for public needs than persons with lesser amounts of income.

These are simple, clear and straightforward propositions. If the Senate will test proposals that come before it in light of these basic principles, we can readily demonstrate to the American people whether or not we are moving in the direction of real tax reform.

I do not expect us to achieve a perfect income tax system in the current tax bill. I am not urging an utopian approach to tax reform that, upon closer examination, holds out no real hope for progress. But it is helpful to use these principles as signposts to guide us in our tax reform deliberations. We can test particular proposals against them to determine whether they constitute genuine "tax reform."

If the Senate accepts these principles, then it must reject the cynicism that says tax reform "means anything that can muster 51 votes in the Senate." To call a tax measure "tax reform" does not make it so. A measure that secures 51 votes on the Senate floor is not tax reform if it moves in the opposite direction from the principles I have stated. And a measure that gets only one Senator's vote remains a true "tax reform" if it would move toward fulfillment of those principles.

The American people understand that not every change in the tax laws is "tax reform." To create a new tax loophole and then call it tax reform turns the dream of tax reform into a nightmare of tax loopholes. This kind of tax change actually shortchanges millions of average taxpayers, and makes them pay more taxes than they would if the laws were fair and just.

In the coming weeks, the Senate Finance Committee will conduct its hearings and markup of the pending bill. I hope that all Senators will make known to the committee their views on tax reform, and that all Senators will measure the results of the committee action against the standards of true "tax reform"—standards that have guided congressional deliberations on those occasions in the past when Congress has enacted legislation that has produced a fairer tax system.

I also hope that Senators concerned about this issue will be prepared to work together on the Senate floor, to insure that the bill that finally passes the Senate is worthy of the title tax reform.

In this connection, it is important that there be ample opportunity for adequate discussion and debate on the Senate floor. Since the present tax reductions expire on June 30, it is clear that legislation must be enacted before that date. The Senate and the American people are entitled to an unhurried, reflective, and constructive discussion by the full Senate on this bill.

Second, we must develop concrete proposals to build upon tax reform efforts

begun by the House. In the weeks ahead, I will offer to the Finance Committee and to the full Senate the specific actions that I believe are essential to insure that H.R. 10612 emerges as an effective tax reform measure.

In broad terms my proposals will fall into four categories. In the first category are measures that the Senate should add to the House bill where it has failed to take needed action, such as taxation of gains at death or upon gifts; repeal of the maximum tax on earned income; and reforms to insure that the major oil companies and the large multinational corporations pay their fair share of taxes, including changes to restrict the use of the deduction for intangible drilling and development expenses and to end the abuses of deferral of U.S. income tax on income earned abroad by such corporations.

In the second category are proposals to improve basically sound actions adopted by the House. We should tighten the tax shelter rules, strengthen the minimum tax, and make the investment and child care credits more equitable and effective.

In the third category are provisions passed by the House that the Senate should eliminate from the bill, such as the expansion of the use of capital losses against ordinary income.

Finally, we must reject proposals to amend the bill—advanced principally in the so-called energy tax bill and by the President and his tax advisers—for the addition of new tax loopholes, such as the massive tax relief for corporate dividend payments.

Third, we must use the reformed congressional budget process to enhance the cause of tax reform. The Budget Reform Act of 1974 formally stated what had been obvious for some time—that the Federal income tax system is itself a vehicle for vast Federal spending programs. These tax expenditures, in the aggregate, disbursing more than $100 billion in Federal funds each year. These tax expenditure programs operate in the same areas as direct expenditures for regular budget items. Therefore, the 1974 Budget Reform Act properly recognized that Congress must deal with both tax expenditures and direct expenditures if it is to achieve effective oversight and control over total Federal spending.

The relevance of budget reform to tax reform is clear when we recognize that almost every tax reform adopted by the House represents a change in a Federal tax expenditure. In some instances, the tax expenditure is reduced in amount. In others, it is increased. But the central point is that when the Senate considers tax reform, it is considering changes in the levels of tax expenditures.

This point has some important implications for tax reform efforts this year. It is essential that Senators interested in tax reform work constructively and cooperatively with the chairman, the ranking minority member, and the other members of the Budget Committee to insure that the first budget resolution provides significant tax reform, and that tax reform proposals presented in the Finance Committee or on the Senate floor are consistent with the resolution.

In 1975, in its first year of operation, the Senate Budget Committee moved with extraordinary effectiveness to hold down direct expenditures, and I urge the committee to do the same this year with respect to tax expnditures. During the past decade, direct Federal spending rose 130 percent. But in the same period, spending via the tax system increased even faster, rising by 180 percent. Tax expenditures now amount to $100 billion, on top of direct spending of $400 billion. Total Federal spending is thus $500 billion a year. If we are concerned about the level of Federal spending, we cannot deal only with direct expenditures. We also have to be concerned with tax expenditures, which are running out of control today and have been out of control for many years.

The Budget Committee clearly understands the need. The committee signaled its intent during debate on the second concurrent resolution for fiscal year 1976 last November. Although that resolution did not deal with tax expenditures, the committee report states the committee's intention to deal with the issue this year:

> The committee believes the Congress should address the issue of major tax reform to promote prosperity and eliminate serious inequities.
>
> Most tax expenditures are enacted for indefinite periods of time and resemble permanent authority for direct expenditures in that they continue in effect year after year at a substantial cost of budgetary resources until they are amended or terminated by specific legislation. Therefore, tax expenditures have important long term impacts on the Federal budget which the Committee will take into account in future resolutions.
>
> The Committee will be examining both tax expenditures and the operations of off-budget agencies. Thus, the Committee will be able to evaluate the economic effects of Congressional action whether or not the action results in a specific budget outlay. These additional dimensions will allow the Committee to take a long-range comprehensive view of national priorities in arriving at its First Budget Resolution for fiscal year 1977.

And, during the Senate floor debate, the committee chairman, Senator MUSKIE, emphasized the committee's "intent to deal forcefully with tax expenditures in the future."

My hope is that the first concurrent budget resolution in fiscal year 1977 will provide for a significant reduction in tax expenditures. It should begin with the $1.5 billion reduction in the House bill, and it should reflect substantial additional reductions to be achieved in the Senate bill.

In the near future, I will submit to the committee a recommended figure for reductions in tax expenditures. My preliminary estimate at this time is that a realistic target, reflecting responsible Senate action on tax reform, would be in the vicinity of a $2.5–$3 billion reduction in tax expenditures for calendar year 1977, representing additional Senate reforms of $1–$1.5 billion over and above the House bill. This calendar year figure for reduction in tax expenditures would translate into a somewhat lower figure in the budget resolution, which applies to the fiscal year.[1]

With respect to many of the proposed reforms, the revenue effects in future years will be substantially larger than in fiscal year 1977, as the reforms are gradually phased in or achieve their full impact.[2]

The fact that tax reform involves changes in tax expenditures also requires that in evaluating a particular tax reform proposal, we ask not only whether it represents a step in the direction of greater tax equity, but also whether the change in Federal spending policy is sound. The same questions must be asked of tax expenditure programs as we routinely ask of direct expenditure programs:

First. Is Federal financial aid needed?

Second. Do the benefits of the program justify its costs?

Third. Are the benefits equitably distributed among income groups?

Some of the tax expenditures that will be considered in the current tax reform bill fail all three tests. In these cases, the Federal tax expenditure should be eliminated. The DISC provision appears to be a prime example in this category, although further study may be appropriate with respect to continuing it for a limited time for small businesses, until a more effective small business export incentive can be developed. The argument presented to the House—that the repeal of DISC will result in a loss of jobs for American workers—now appears to have been a red herring, designed to divert attention from the inequity and inefficiency of the DISC provision.

In other cases, it may be appropriate to reduce or eliminate the tax expenditure program—because its costs outweigh its benefits, or because its benefits are distributed unfairly—but part or all of the revenues saved need to be added to more efficient and more equitable Federal programs in the same budget areas. For example, tax shelters for real estate should be eliminated because they are a source of serious tax inequity and because there is substantial evidence that the tax expenditures involved in real estate tax shelters are inefficient and counterproductive. But, the revenues gained by reducing this tax expenditure must be committed by Congress to direct spending programs for the construction and rehabilitation of low and middle income housing. This simultaneous action is required to meet our housing needs and to insure that needed tax reform does not

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[1] The figure is lower in the Budget Resolution because not all of the calendar year 1977 revenues from tax reforms will be received in fiscal year 1977. The full $1.5 billion in House-passed reductions will be received in fiscal year 1977, since the reforms will take effect on January 1, 1976. But the additional Senate reforms will probably take effect on January 1, 1977. Only part of the revenues from such reforms will be received in the fiscal year, which ends on September 30, 1977; the remainder will be received in fiscal year 1978.

[2] With respect to capital gains at death, for example, the current tax expenditure is estimated at $7.28 billion for fiscal 1977, but a realistic reform would in all likelihood produce negligible revenues in fiscal 1977 and more modest revenues in future years.

produce unnecessary disruption in the construction industry.

It is important that we amend the House bill by developing stronger anti-tax shelter rules ready to go into effect. But the House bill wisely delays until 1981 the imposition of its tax shelter rules in the case of the construction of low-income housing. In the interim, Congress should require HUD to develop and submit an alternative direct spending program to encourage construction and rehabilitation of low-income housing.

I will not support any proposal to change the present tax benefits for low-income families until a better alternative program is designed. We can then use the revenues gained from closing down tax shelters to help fund more effective and more equitable methods of providing low-income housing. In this way, tax reform and spending reform can go hand in hand.

In other instances, the tax expenditure techniques may offer the best means of providing Federal financial assistance. I believe that the investment credit is one such provision. But changes can and must be made to insure that this tax expenditure does not operate to violate tax equity. I will propose changes in the investment tax credit—to make it refundable and to insure that it becomes a more effective and equitable Federal program to encourage needed investment, and to insure it will not be a source of tax inequity. I will propose similar improvements in the tax credit for child care expenses.

MAKING TAX REFORM A REALITY

In sum, the necessary ingredients for the Senate to convert the "impossible dream" of tax reform into a reality are present. We have the opportunity, the need, and the tools to do the job. I urge the Senate to act this year to fulfill the long-neglected promise of tax reform to the American people.

ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business for not to exceed 30 minutes with statements limited therein to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BROCK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RETIREMENT OF HON. JOE L. EVINS, A U.S. REPRESENTATIVE FROM THE STATE OF TENNESSEE

Mr. BROCK. Mr. President, I rise today to advise my colleagues of a decision by one of our friends in the House, the Honorable JOE EVINS, who has just announced his retirement after 30 years of service in the Congress of the United States. I personally wanted to express my very deep regret at the prospects of not having his service in the years to come in that particular body.

I think every Member of Congress will regret the retirement of JOE EVINS. He is something more than just a respected and dedicated public servant. He has been a friend and a counselor. He has been willing to give of himself on countless occasions for our State, for the people of Tennessee, and perhaps most of all to those of us who served as his colleagues in both the House and Senate.

JOE EVINS in these 30 years has provided yeoman service to the people of the Fourth District and of the entire State of Tennessee.

As a member of the Committee on Appropriations, as chairman of its Subcommittee on Public Works appropriations, as the chairman of the House Small Business Committee, as chairman of the Subcommittee on Independent Offices and Housing and Urban Development Appropriations Committee, and in his numerous other capacities, he has served with distinction, integrity, and great personal effort to provide a better opportunity and a better life for the people of this Nation.

I personally have a great sense of regret in another sense, too. His wife was one of the most delightful and lovely ladies I have had the privilege to know. I will admit to a certain amount of bias because her father was the brother of my grandmother. We have a personal relationship which I greatly value.

Suffice it to say that I believe Congress is losing one of its most unusual, dedicated, decent, and able Members, and we will miss him greatly.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. INOUYE) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PROPOSED FINANCIAL ASSISTANCE FOR ELEMENTARY AND SECONDARY EDUCATION ACT—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. INOUYE) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

The education of our children is vital to the future of the United States. From the start, our Founding Fathers knew that ignorance and free government could not co-exist. Our nation has acted from the beginning on the sound principle that control over our schools should remain at the State and local level. Nothing could be more destructive of the diversity of thought and opinion necessary for national progress than an excess of control by the central government.

In recent years, our national sense of fairness and equity has led to an increasing number of Federal programs of aid to education. The Federal government has recognized a responsibility to help ensure adequate educational opportunities for those with special needs, such as the educationally deprived and the handicapped. We have appropriately provided States and localities with added resources to help them improve opportunities for such students. At the same time, we have channeled our aid into too many narrow and restrictive categorical programs. As a result, we have made it more difficult for the schools to educate.

It is time that we reconcile our good intentions with the recognition that we at the Federal level cannot know what is best for every school child in every classroom in the country.

In my State of the Union address, I spoke of the need for a new realism and a new balance in our system of Federalism—a balance that favors greater responsibility and freedom for the leaders of our State and local governments.

Our experience in education demonstrates that those principles are not abstract political philosophy, but guides to the concrete action we must take to help assure the survival of our system of free government. We must continually guard against Federal control over public schools.

I am proposing today the Financial Assistance for Elementary and Secondary Education Act which will consolidate 24 existing programs into one block grant. The focus of this block grant will be on improved educational opportunities for those with special needs—the handicapped and educationally deprived. Federal funds will be provided with a minimum of Federal regulation and a maximum of local control. My proposal is based on the conviction that education needs can be most effectively and creatively met by allowing States greater flexibility in the use of Federal funds.

I am particularly pleased at the extent to which my proposal reflects extensive consultations with individuals, organizations representing publicly elected officials and leaders in the education community. The proposal has been modified and strengthened since the time of my State of the Union message as a result of suggestions we received. I am convinced it represents essential changes in our system of providing aid to education.

My proposals will consolidate programs in the following areas:

—Elementary and Secondary Education
—Education for the Handicapped
—Adult Education
—Vocational Education

To assure that students with special needs receive proper attention the proposed legislation provides that 75 percent of a State's allocation be spent on the educationally deprived and handicapped, and that vocational education programs continue to be supported. The same strong civil rights compliance procedures that exist in the programs to be consolidated are included in this legislation.

Under the proposed legislation, funds will be allocated to States based on a formula which takes into account the number of school-aged children and the number of children from low-income families. No State will receive less money than it did in Fiscal Year 1976 under the programs to be consolidated. Further, local education agencies will be assured that the funds will reach the local level, where children are taught and where control should be exercised.

Vocational education is an important part of our total education system. Here, too, my proposal seeks greater flexibility at the local level while maintaining Federal support. States would be required to spend a portion of the funds they receive on vocational education, giving special emphasis to the educationally deprived and the handicapped.

Non-public school and Indian tribal children would continue to be eligible for assistance under this proposal. Where States do not serve such children, the Commissioner of Education will arrange to provide funds directly, using the appropriate share of the State's funds.

The proposed legislation will require States to develop a plan, with public participation, for the use of Federal funds. All interested citizens, students, parents and appropriate public and private institutions will participate in the development of the plan. States will be required to develop procedures for independent monitoring of compliance with their plan. State progress will be measured against the plan, but the plan itself will not be subject to Federal approval.

For Fiscal Year 1977 I am requesting $3.3 billion for the education block grant. For the next three fiscal years, I am proposing authorizations of $3.5 billion, $3.7 billion and $3.9 billion. For too long the real issue in our education programs—Federal versus State and local control—has been obscured by endless bickering over funding levels. Hopefully, with these request levels, we can focus the attention where it belongs, on reform of our education support programs.

Enactment of this legislation will allow people at the State and local level to stop worrying about entangling Federal red tape and turn their full attention to educating our youth.

I urge prompt and favorable consideration of the Financial Assistance for Elementary and Secondary Education Act.

GERALD R. FORD.

THE WHITE HOUSE, *March 1, 1976.*

REPORT OF THE COUNCIL ON ENVIRONMENTAL QUALITY—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. INOUYE) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Agriculture and Forestry, the Committee on Commerce, the Committee on Interior and Insular Affairs, and the Committee on Public Works, jointly, by unanimous consent:

To the Congress of the United States:

It is a measure of our progress as a Nation that today, in the 200th year of American Independence, we are in the midst of a dynamic movement to restore, protect and preserve our environment and, at the same time, make the most effective use of our natural resources—with the objective of providing a better life for ourselves and for our children and grandchildren.

This society has come a long way since the time when the daily struggle with climate and wilderness dominated our ancestors lives, challenged their spirit and energies, and shaped attitudes that served so well to forge a new Nation. We have learned that our past progress was often achieved without adequate regard for the longer term consequences to our air, water and land. Some have concluded from our past experiences that certain national objectives—such as a strong economy, an adequate supply of energy, and an improved environment—are in conflict and we must choose among them. Others are concluding—and I share their view—that we can make good progress toward all these objectives if our goals are realistic, our resolve is firm, and our steps are deliberate.

The Sixth Annual Report of the Council of Environmental Quality which I am forwarding to the Congress surveys our environmental accomplishments and indicates that we have made much progress indeed.

The Council's summary of environmental conditions and trends describes the encouraging results of our efforts to clean up the air and water. We are beginning to bring our most chronic sources of water pollution under control, and we are improving the quality of some of our most heavily polluted waterways. We have improved air quality significantly in the United States during the past 5 years.

The progress we have made so far is in large measure a reflection of the investment the Nation has made in cleaning up the environment. In 1975 government and industry spent more than $15 billion in capital and operating expenditures to meet the requirements of Federal pollution control legislation. The Federal Government alone has increased its pollution control outlays from $751 million in 1970 to an estimated $4.5 billion in the current fiscal year. Over the next 10 years the Nation will spend more than $22 billion per year to meet Federal control requirements.

We can be proud of the progress we have made in improving the Nation's environmental quality. Yet, we must meet additional challenges over the next few years. We must improve our understanding of the effects of pollutants and of the means and costs of reducing pollution. As we develop new energy sources and technologies we must assure that they meet environmental standards. We also must continue the job of cleaning up pollution from existing sources.

The Council has reviewed the environmental conditions of our coastal zone and on Federal public lands and describes the diverse purposes they serve and the variety of ways in which our people can use and enjoy them. Because of the competing demands upon these areas, we will face a continuing challenge in assuring their best uses and in providing protection of their environmental values.

International activities over the past year have provided a helpful perspective for understanding the global scope of many environmental issues. Our community of nations is beginning to come to grips with this reality and, through the United Nations Earthwatch Program, is making a major attempt to monitor environmental conditions and trends throughout the world.

Our experience and our growing knowledge about the scientific, technical and economic aspects of environmental effects and controls has given us a basis for considering "mid-course corrections" in existing environmental laws. The attention now being given in the Congress and the Administration to a review of the requirements of the Clean Air Act and the Water Pollution Control Act are important examples of this new level of awareness.

In these and other efforts, we must set our goals carefully, pursue them vigorously, and maintain the balance among our national objectives. This is essential if we are to enjoy the continued public support for our environmental objectives that is necessary to future progress.

We have made an excellent start. I am confident we shall continue in this vital area.

GERALD R. FORD.

THE WHITE HOUSE.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the message from the President transmitting the Sixth Annual Report of the Council on Environmental Quality be jointly referred to the Committee on Agriculture and Forestry, the Committee on Commerce, the Committee on Interior and Insular Affairs, and the Committee on Public Works.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NATIONAL ENERGY PROGRAM—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. INOUYE) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Commerce, the Committee on Interior and Insular Affairs, the Joint Committee on Atomic Energy, the Committee on Finance, the Committee on Foreign Relations, the Committee on Public Works, the Committee on Armed Services, and the Committee on Banking, Housing and Urban Affairs, jointly, by unanimous consent:

To the Congress of the United States:

A little over two years ago, the Arab embargo proved that our Nation had become excessively dependent upon others for our oil supplies. We now realize how critical energy is to the defense of our country, to the strength of our economy, and to the quality of our lives.

We must reduce our vulnerability to the economic disruption which a few foreign countries can cause by cutting off our energy supplies or by arbitrarily raising prices. We must regain our energy independence.

During the past year, we have made some progress toward achieving our energy independence goals, but the fact remains that we have a long way to go. However, we cannot take the steps required to solve our energy problems until the Congress provides the necessary additional authority that I have requested. If we do not take these steps, our vulnerability will increase dramatically.

In my first State of the Union Address last year, I pointed out that our vulnerability would continue to grow unless a comprehensive energy policy and program were implemented. I outlined these goals for regaining our energy independence:

—First, to halt our growing dependence on imported oil during the next few critical years.

—Second, to attain energy independence by 1985 by achieving invulnerability to disruptions caused by oil import embargoes. Specifically, we must reduce oil imports to between 3 and 5 million barrels a day, with an accompanying ability to offset any future embargo with stored petroleum reserves and emergency standby measures.

—Third, to mobilize our technology and resources to supply a significant share of the free world's energy needs beyond 1985.

In pursuing these goals, we have sought to provide energy at the lowest cost consistent with our need for adequate and secure supplies. We should rely upon the private sector and market forces since it is the most efficient means of achieving these goals. We must also achieve a balance between our environmental and energy objectives.

These goals were reasonable and sound a year ago and they remain so today.

Since January of 1975, this Administration has initiated the most comprehensive set of energy programs possible under current authority. This includes actions to conserve energy, to increase the production of domestic energy resources, and to develop technology necessary to produce energy from newer sources.

During this time, I have also placed before the Congress a major set of legislative proposals that would provide the additional authority that is needed to achieve our energy independence goals.

Thus far, the Congress has completed action on only one major piece of energy legislation—the Energy Policy and Conservation Act—which I signed into law on December 22, 1975. That law includes four of the original proposals I submitted to the Congress over a year ago. Eighteen other major legislative proposals still await final action by the Congress.

NATURAL GAS

The need for Congressional action is most critical in the area of natural gas. We must reverse the decline in natural gas production and deal effectively with the growing shortages that face us each winter.

Deregulating the price of new natural gas remains the most important action that can be taken by the Congress to improve our future gas supply situation. If the price of natural gas remains under current regulation, total domestic production will decline to less than 18 trillion cubic feet in 1985. However, if deregulation is enacted, production would be about 25 percent higher by 1985. Natural gas shortages mean higher costs for consumers who are forced to switch to more expensive alternative fuels and mean, inevitably, an increasing dependence on imported oil. Curtailment of natural gas to industrial users in the winters ahead means more unemployment and further economic hardships.

Therefore, I again urge the Congress to approve legislation that will remove Federal price regulation from new natural gas supplies and will provide the added short-term authorities needed to deal with any severe shortages forecast for next winter.

I also urge prompt action by the Congress on a bill I will be submitting shortly which is designed to expedite the selection of a route and the construction of a transportation system to bring the vast supplies of natural gas from the north slope of Alaska to the "lower 48" markets. This legislation would make possible production of about 1 trillion cubic feet of additional natural gas each year by the early 1980s.

We expect imports of liquefied natural gas (LNG) to grow in the next several years to supplement our declining domestic supply of natural gas. We must balance these supply needs against the risk of becoming overly dependent on any particular source of supply.

Recognizing these concerns, I have directed the Energy Resources Council to establish procedures for reviewing proposed contracts within the Executive Branch, balancing the need for supplies with the need to avoid excessive dependence, and encouraging new imports where this is appropriate. By 1985, we should be able to import 1 trillion cubic feet of LNG to help meet our needs without becoming overly dependent upon foreign sources.

NUCLEAR POWER

Greater utilization must be made of nuclear energy in order to achieve energy independence and maintain a strong economy. It is likewise vital that we continue our world leadership as a reliable supplier of nuclear technology in order to assure that worldwide growth in nuclear power is achieved with responsible and effective controls.

At present 57 commercial nuclear power plants are on line, providing more than 9 percent of our electrical requirements, and a total of 179 additional plants are planned or committed. If the electrical power supplied by the 57 existing nuclear power plants were supplied by oil-fired plants, an additional one million barrels of oil would be consumed each day.

On January 19, 1975, I activated the independent Nuclear Regulatory Commission (NRC) which has the responsibility for assuring the safety, reliability, and environmental acceptability of commercial nuclear power. The safety record for nuclear power plants is outstanding. Nevertheless, we must continue our efforts to assure that it will remain so in the years ahead. The NRC has taken a number of steps to reduce unnecessary regulatory delays and is continually alert to the need to review its policies and procedures for carrying out its assigned responsibilities.

I have requested greatly increased funding in my 1977 budget to accelerate research and development efforts that will meet our short-term needs to:

—Make the safety of commercial nuclear power plants even more certain;

—Develop further domestic safeguards technologies to assure against the theft and misuse of nuclear materials as the use of nuclear-generated electric power grows;

—Provide for safe and secure long-term storage of radioactive wastes;

—And encourage industry to improve the reliability and reduce the construction time of commercial nuclear power plants.

I have also requested additional funds to identify new uranium resources and have directed ERDA to work with private industry to determine what additional actions are needed to bring capacity on-line to reprocess and recycle nuclear fuels.

Internationally, the United States in consultation with other nations which supply nuclear technology has decided to follow stringent export principles to ensure that international sharing of the benefits of nuclear energy does not lead to the proliferation of nuclear weapons. I have also decided that the U.S. should make a special contribution of up to $5 million in the next five years to

strengthen the safeguards program of the International Atomic Energy Agency.

It is essential that the Congress act if we are to take timely advantage of our nuclear energy potential. I urge enactment of the Nuclear Licensing Act to streamline the licensing procedures for the construction of new power plants.

I again strongly urge the Congress to give high priority to my Nuclear Fuel Assurance Act to provide enriched uranium needed for commercial nuclear power plants here and abroad. This proposed legislation which I submitted in June 1975, would provide the basis for transition to a private competitive uranium enrichment industry and prevent the heavy drain on the Federal budget. If the Federal Government were required to finance the necessary additional uranium enrichment capacity, it would have to commit more than $8 billion over the next 2 to 3 years and $2 billion annually thereafter. The taxpayers would eventually be repaid for these expenditures but not until sometime in the 1990's. Federal expenditures are not necessary under the provisions of this Act since industry is prepared to assume this responsibility with limited government cooperation and some temporary assurances. Furthermore, a commitment to new Federal expenditures for uranium enrichment could interfere with efforts to increase funding for other critical energy programs.

COAL

Coal is the most abundant energy resource available in the United States, yet production is at the same level as in the 1920's and accounts for only about 17 percent of the Nation's energy consumption. Coal must be used increasingly as an alternative to scarce, expensive or insecure oil and natural gas supplies. We must act to remove unnecessary constraints on coal so that production can grow from the 1975 level of 640 million tons to over 1 billion tons by 1985 in order to help achieve energy independence.

We are moving ahead where legislative authority is available.

The Secretary of the Interior has recently adopted a new coal leasing policy for the leasing and development of more coal on Federal lands. To implement this policy, regulations will be issued governing coal mining operations on Federal lands, providing for timely development, and requiring effective surface mining controls which will minimize adverse environmental impacts and require that mined lands be reclaimed. As a reflection of the States' interests, the Department proposes to allow application on Federal lands of State coal mine reclamation standards which are more stringent than Federal standards, unless overriding National interests are involved.

I have directed the Federal Energy Administration and the Environmental Protection Agency to work toward the conversion of the maximum number of utilities and major industrial facilities from gas or oil to coal as permitted under recently extended authorities.

We are also stepping up research and development efforts to find better ways of extracting, producing, and using coal.

Again, however, the actions we can take are not enough to meet our goals. Action by the Congress is essential.

I urge the Congress to enact the Clean Air Act amendments I proposed which will provide the balance we need between air quality and energy goals. These amendments would permit greater use of coal without sacrificing the air quality standards necessary to protect public health.

OIL

We must reverse the decline in the Nation's oil production. I intend to implement the maximum production incentives that can be justified under the new Energy Policy and Conservation Act. In addition, the Department of the Interior will continue its aggressive Outer Continental Shelf development program while giving careful attention to environmental considerations.

But these actions are not enough. We need prompt action by the Congress on my proposals to allow production from the Naval Petroleum Reserves. This legislation is now awaiting action by a House-Senate Conference Committee.

Production from the Reserves could provide almost one million barrels of oil per day by 1985 and will provide both the funding and the oil for our strategic oil reserves.

I also urge the Congress to act quickly on amending the Clean Air Act auto emission standards that I proposed last June to achieve a balance between objectives for improving air quality, increasing gasoline mileage, and avoiding unnecessary increases in costs to consumers.

BUILDING ENERGY FACILITIES

In order to attain energy independence for the United States, the construction of numerous nuclear power plants, coal-fired power plants, oil refineries, synthetic fuel plants, and other facilities will be required over the next two decades.

Again, action by the Congress is needed.

I urge Congress to approve my October, 1975 proposal to create an Energy Independence Authority, a new government corporation to assist private sector financing of new energy facilities.

This legislation will help assure that capital is available for the massive investment that must be made over the next few years in energy facilities, but will not be forthcoming otherwise. The legislation also provides for expediting the regulatory process at the Federal level for critical energy projects.

I also urge Congressional action on legislation needed to authorize loan guarantees to aid in the construction of commercial facilities to produce synthetic fuels so that they may make a significant contribution by 1985.

Commercial facilities eligible for funding under this program include those for synthetic gas, coal liquefaction and oil shale, which are not now economically competitive. Management of this program would initially reside with the Energy Research and Development Administration but would be transferred to the proposed Energy Independence Authority.

My proposed energy facilities siting legislation and utility rate reform legislation, as well as the Electric Utilities Construction Incentives Act complete the legislation which would provide the incentives, assistance, and new procedures needed to assure that facilities are available to provide additional domestic energy supplies.

ENERGY DEVELOPMENT IMPACT ASSISTANCE

Some areas of the country will experience rapid growth and change because of the development of Federally-owned energy resources. We must provide special help to heavily impacted areas where this development will occur.

I urge the Congress to act quickly on my proposed new, comprehensive, Federal Energy Impact Assistance Act which was submitted to the Congress on February 4, 1976.

This legislation would establish a $1 billion program of financial assistance to areas affected by new Federal energy resource development over the next 15 years. It would provide loans, loan guarantees, and planning grants for energy-related public facilities. Funds would be repaid from future energy development. Repayment of loans could be forgiven if development did not occur as expected.

This legislation is the only approach which assures that communities that need assistance will get it where it is needed, when it is needed.

ENERGY CONSERVATION

The Nation has made major progress in reducing energy consumption in the last 2 years but greatly increased savings can yet be realized in all sectors.

I have directed that the Executive Branch continue a strong energy management program. This program has already reduced energy consumption by 24 percent in the past 2 years, saving the equivalent of over 250,000 barrels of oil per day.

We are moving to implement the conservation authorities of the new Energy Policy and Conservation Act, including those calling for State energy conservation programs, and labeling of appliances to provide consumers with energy efficiency information.

I have asked for a 63 percent increase in funding for energy conservation research and development in my 1977 budget.

If the Congress will provide needed legislation, we will make more progress. I urge the Congress to pass legislation to provide for thermal efficiency standards for new buildings, to enact my proposed $55 million weatherization assistance program for low-income and elderly persons, and to provide a 15-percent tax credit for energy conservation improvements in existing residential buildings. Together, these conservation proposals can save 450,000 barrels of oil per day by 1985.

INTERNATIONAL ENERGY ACTIVITIES

We have also made significant progress in establishing an international en-

ergy policy. The United States and other major oil-consuming nations have established a comprehensive long-term energy program through the International Energy Agency—IEA—committing ourselves to continuing cooperation to reduce dependence on imported oil. By reducing demand for imported oil, consuming nations can, over time, regain their influence over oil prices and end vulnerability to abrupt supply cutoffs and unilateral price increases.

The International Energy Agency has established a framework for cooperative efforts to accelerate the development of alternative energy sources. The Department of State, in cooperation with FEA, ERDA, and other Federal agencies, will continue to work closely with the IEA.

While domestic energy independence is an essential and attainable goal, we must recognize that this is an interdependent world. There is a link between economic growth and the availability of energy at reasonable prices. The United States will need some energy imports in the years ahead. Many of the other consuming nations will not be energy independent. Therefore, we must continue to search for solutions to the problems of both the world's energy producers and consumers.

The U.S. delegation to the new Energy Commission will pursue these solutions, including the U.S. proposal to create an International Energy Institute. This Institute will mobilize the technical and financial resources of the industrialized and oil-producing countries to assist developing countries in meeting their energy problems.

1985 AND BEYOND

As our easily recoverable domestic fuel reserves are depleted, the need for advancing the technologies of nuclear energy, synthetic fuels, solar energy, and geothermal energy will become paramount to sustaining our energy achievements beyond 1985. I have therefore proposed an increase in the Federal budget for energy research and development from $2.2 billion in 1976 to $2.9 billion in the proposed 1977 budget. This 30-percent increase represents a major expansion of activities directed at accelerating programs for achieving long-term energy independence.

These funds are slated for increased work on nuclear fusion and fission power development, particularly for demonstrating the commercial viability of breeder reactors; new technology development for coal mining and coal use; enhanced recovery of oil from current reserves; advanced power conversion systems; solar and geothermal energy development; and conservation research and development.

It is only through greater research and development efforts today that we will be in a position beyond 1985 to supply a significant share of the free world's energy needs and technology.

SUMMARY

I envision an energy future for the United States free of the threat of embargoes and arbitrary price increases by foreign governments. I see a world in which all nations strengthen their cooperative efforts to solve critical energy problems. I envision a major expansion in the production and use of coal, aggressive exploration for domestic oil and gas, a strong commitment to nuclear power, significant technological breakthroughs in harnessing the unlimited potential of solar energy and fusion power, and a strengthened conservation ethic in our use of energy.

I am convinced that the United States has the ability to achieve energy independence.

I urge the Congress to provide the needed legislative authority without further delay.

GERALD R. FORD.

THE WHITE HOUSE, *February 26, 1976.*

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the message from the President of the United States relating to energy be referred jointly to the Committee on Commerce, the Committee on Interior and Insular Affairs, the Joint Committee on Atomic Energy, the Committee on Finance, the Committee on Foreign Relations, the Committee on Public Works, the Committee on Armed Services, and the Committee on Banking, Housing and Urban Affairs.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 12:02 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 12122) to amend section 2 of the act of June 30, 1954, providing for the continuance of civic government for the Trust Territory of the Pacific Islands, and for other purposes, in which it requests the concurrence of the Senate.

The message also announced that the House has agreed to the concurrent resolution (S. Con. Res. 88) authorizing the printing of additional copies of the open hearings and the final report of the Senate Select Committee on Intelligence Activities, without amendment.

ENROLLED BILL SIGNED

The message further announced that the Speaker has signed the enrolled bill (S. 151) to authorize and modify various Federal reclamation projects and programs, and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. INOUYE).

HOUSE BILL REFERRED

The bill (H.R. 12122) to amend section 2 of the act of June 30, 1954, providing for the continuance of civil government for the Trust Territory of the Pacific Islands, and for other purposes, was read twice by its title and referred to the Committee on Interior and Insular Affairs.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. INOUYE) laid before the Senate the following letters, which were referred as indicated:

PROPOSED WITHDRAWAL OF LAOS AS BENEFICIARY DEVELOPING COUNTRY FOR PURPOSES OF THE GENERALIZED SYSTEM OF PREFERENCES

A communication from the President of the United States, notifying the Senate of his intention to withdraw the designation of Laos as a beneficiary developing country for purposes of the generalized system of preferences by amending Executive Order No. 11888 of November 24, 1975; to the Committee on Finance.

PROPOSED FINANCIAL ASSISTANCE FOR HEALTH CARE ACT

A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to consolidate Federal financial assistance to the fifty States, the District of Columbia, and the territories for programs in the field of health, to focus those programs on individuals most in need of them, and to eliminate unnecessary restrictions on the exercise of State responsibility for program administration (with accompanying papers); to the Committee on Finance and the Committee on Labor and Public Welfare, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication transmitted by the Secretary of HEW relative to financial assistance in the field of health care be referred jointly to the Committee on Finance and the Committee on Labor and Public Welfare.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PETITIONS

The ACTING PRESIDENT pro tempore (Mr. INOYE) laid before the Senate the following petitions, which were referred as indicated:

The House Resolution adopted by the Legislature of the State of South Carolina; to the Committee on Interior and Insular Affairs:

"HOUSE RESOLUTION 3097

"A House resolution to memorialize the Congress of the United States to expeditiously legislate the establishment of a natural area in the Congaree Swamp

"Whereas, the citizens of South Carolina have recognized the value of, and have sought the protection, of portions of the Congaree Swamp for the last twenty years; and

"Whereas, the Congaree Swamp represents the only bottomland climax forest of its kind which contains at least six national champion trees and twenty-four state champion trees; and

"Whereas, the potential benefits of the Congaree Swamp, and its character and uniqueness, should be preserved; and

"Whereas, the Congaree Swamp has been studied by the South Carolina Wildlife and Marine Resources Commission as a site for a National Preserve because "the geological and biological attributes of the area are in themselves worthy of national recognition and all the more so since they are unique . . .."; and

"Whereas, the use of a portion of Congaree Swamp as a National Preserve or monument would be of significant value to the State of South Carolina for educational, scientific,

recreational and wildlife conservation purposes; and

"Whereas, further delay in the consideration of a preserve area in this great swamp may result in irreparable damage to this unique. Now, therefore,

"Be it resolved by the House of Representatives:

"That the Congress of the United States be memorialized to expeditiously legislate the establishment of a natural area in the Congaree Swamp to preserve these historically significant and national champion trees.

"Be it further resolved that a copy of this resolution be forwarded to each member of the United States Congress from South Carolina and to the Clerks of the United States House of Representatives and Senate."

A resolution adopted by the Town of Greenwood, N.Y., disapproving stricter gun laws; to the Committee on the Judiciary.

Senate Joint Resolution No. 140 adopted by the Legislature of the State of Tennessee; to the Committe on Finance:

"SENATE JOINT RESOLUTION NO. 140

(By Nave)

"A resolution to urge Congress to extend federal revenue sharing

"Whereas, The present federal law enacting revenue sharing with state and local governments expires in December, 1976; and

"Whereas, The expiration date falls in the middle of the next fiscal year for Tennessee state government; and

"Whereas, Federal revenue sharing in the past fiscal year provided over 39½ million dollars to the state government, which earned in excess of another ½ million dollars in interest; and

"Whereas, Failure of the Congress to extend federal revenue sharing would result in curtailment of services or a tax increase; and

"Whereas, The Congress should move swiftly on this issue one way or the other, since legislatures now in session need to know what level of funding will be available after December, 1976, so that budgets for fiscal years starting on July 1 can be enacted responsibly; now therefore,

"Be it resolved by the Senate of the Eighty-Ninth General Assembly of the State of Tennessee, the House of Representatives concurring, That the United States Congress is urged to extend federal revenue sharing and to act as quickly as possible.

"Be it further resolved, That a copy of this resolution be forwarded to Vice-President Nelson Rockefeller, Speaker Carl Albert, President Gerald R. Ford and to each member of Tennessee's congressional delegation."

Resolution adopted by the Charter Township of Meridian, Mich., relating to Federal Revenue Sharing; to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations, with amendments:

H.R. 9721. An Act to provide for increased participation by the United States in the Inter-American Development Bank, to provide for the entry of nonregional members and the Bahamas and Guyana in the Inter-American Development Bank, to provide for the participation of the United States in the African Development Fund, and for other purposes (Rept. No. 94-673).

By Mr. MANSFIELD (for Mr. RIBICOFF), from the Committee on Government Operations, without amendment, referred to the Committee on Rules and Administration, by unanimous consent:

S. Res. 400. A resolution to establish a Standing Committee of the Senate on Intelligence Activities, and for other purposes (Rept. No. 94-675).

By Mr. CANNON, from the Committee on Rules and Administration, with amendments:

S. Res. 104. A resolution relative to Select Committee on Small Business (Rept. No. 94-674).

COMMITTEE DISCHARGED FROM FURTHER CONSIDERATION OF S. 2893

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Government Operations be discharged from further consideration of S. 2893, a bill to establish a Standing Committee of the Senate on Intelligence Activities, and for other purposes and that the bill be indefinitely postponed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. SCHWEIKER:

S. 3057. A bill to amend the Truth in Lending Act to protect consumers from the unauthorized disclosure of information relating to credit card transactions. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. ALLEN:

S. 3058. A bill to require certain employees of the United States to file a statement of income and net worth annually with the Comptroller General of the United States. Referred to the Committee on Government Operations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SCHWEIKER:

S. 3057. A bill to amend the Truth in Lending Act to protect consumers from the unauthorized disclosure of information relating to credit card transactions. Referred to the Committee on Banking, Housing and Urban Affairs.

UNAUTHORIZED DISCLOSURE OF INFORMATION RELATING TO CREDIT CARD TRANSACTIONS

Mr. SCHWEIKER. Mr. President, I send to the desk for appropriate reference a bill to amend the Truth in Lending Act to protect consumers from the unauthorized disclosure of information relating to credit card transactions.

The recent hearings of the Privacy Protection Study Commission have produced shocking disclosures. Credit card records have been turned over to Government investigators without court order or customer knowledge, and in some cases private attorneys have been given credit information simply because they asked for it—without any claim of right or privilege. Even foreign governments have apparently been able to get U.S. credit card companies to divulge information about American citizens, again without any notification to the customer.

Mr. President, the incredible extent of this invasion of privacy is nearly beyond comprehension—more than half a billion credit cards are used in this country, accounting for an estimated $120 billion of business each year. If even a miniscule percentage of these credit files have been compromised, then literally millions of Americans have had their privacy invaded. And this is not some abstract theoretical invasion of privacy—David F. Linowes, Chairman of the Privacy Commission, described the impact as follows:

> The universality of credit cards means that information about specific people can be selected and made available merely by punching a few keys in a computer. First, the credit bureaus track down credit-worthiness before cards are issued. Then information continues all along the line—what people buy, where they travel, where they stay, the magazines they subscribe to and the reservations they make.
>
> All of these things get into computer data banks where a profile of an individual can be designed. The resulting picture can show whether an individual is liberal or conservative, his affluence and habits.

In the course of the recent Privacy Commission hearings, American Express announced that, in the future, it will notify its cardholders when their records are subpenaed. BankAmericard said they already attempt to notify their customers by phone. But no one voluntarily endorsed what seems to me the obvious, simple standard that should apply; that is, no one should have access to any information from any cardholder's file, for any purpose, in the absence of a court order or the cardholder's consent.

Certainly that is the standard an overwhelming majority of U.S. credit cardholders would have assumed to be applicable—and that is the standard which my bill today would enact into Federal law. My bill does not attempt to deal with all of the complex questions in the privacy area; the recommendations of the Privacy Commission will do that, when their hearings are complete. But those recommendations may not be made for months, and it may be literally years before comprehensive legislation in this field can be passed. In the meantime, my bill will insure fundamental protection of the privacy rights of American citizens who have credit cards.

Specifically, my bill has the following provisions: First, it amends the Truth in Lending Act to prohibit any disclosure of information relating to a cardholder's account without the consent of the cardholder. Second, it provides that when credit information is disclosed by a card issuer in response to a subpena, the cardholder must be notified. Finally, this measure preserves the right of a merchant honoring a credit card to validate the existence of the credit account, or the account balance, so normal commercial transactions are not in any way complicated by this measure.

Under the Truth in Lending Act which is amended by my bill, the Federal Reserve Board has broad authority to establish implementing regulations, and all Federal banking agencies, as well as the Federal Trade Commission and other specified Federal agencies, have enforcement authority. Federal court jurisdiction exists, and civil penalties for violations range from $100 to $1,000 per violation, plus attorneys' fees and court costs; class actions and criminal sanctions are also possible.

In summary, Mr. President, my bill simply enacts into Federal law the basic

standard of confidentiality that every American is entitled to expect in regard to personal financial transactions. It is a standard which can be easily adopted, effectively administered, without serious commercial complications. I urge prompt action on this measure.

I ask unanimous consent that this bill be printed in the RECORD, together with news articles detailing the abuses disclosed by the Privacy Commission.

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

S. 3057

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 2 of the Truth in Lending Act is amended by adding at the end thereof the following new section:

"§ 136. Confidentiality

"(a) Except as provided in subsection (b), a card issuer may not provide any records or information relating to a cardholder's use of that issuer's credit card to a third party without the consent of the cardholder.

"(b) A card issuer may not provide any records or information relating to a cardholder's use of that issuer's credit card to any third party in response to a subpena unless the card issuer notifies the cardholder of the receipt of the subpena.

"(c) A communication between a card issuer and a person who has agreed to honor that issuer's card to validate the existence of a credit card account or to determine the balance of an account does not violate this section."

(b) The analysis of such chapter is amended by adding at the end thereof the following new item:

"135. Confidentiality.".

[From the Washington Post, Feb. 12, 1976]

CREDIT PRIVACY INVADED—DATA YIELDED BY AMERICAN EXPRESS CO.

(By Nancy Ross)

NEW YORK, February 11.—American Express, which has more than 6 million credit card holders around the world, revealed today that it routinely supplies information about its customers' finances to government agencies and even to private attorneys. Moreover, it declines to notify its card holders who is investigating them.

Executives of the American Express Co. testified today at a hearing on the credit card industry, and related fields, held by the Privacy Protection Study Commission. This body was appointed jointly by the executive and legislative branches in June 1975 to determine whether the provisions of 1974 privacy act should extend to the private sector. The act requires all federal agencies to disclose to the individual concerned what information it may have on him or her and to prevent that information from being used for purposes other than that for which it was collected.

James M. Stetler, vice president for marketing and development of the credit card division, and assistant general counsel Gary Beller declared that American Express receives several hundred subpoenas or court orders a year to furnish information to the Justice Department, the Internal Revenue Service, the Immigration Service, the Drug Enforcement Agency or private atttorneys in matrimonial cases. Information provided by American Express details a cardholder's transactions. From this, for example, an interested party could determine if an individual spent the night in a certain hotel or spent a lot of money in a given store on particular merchandise.

The fact of the investigation is not revealed to cardholder by the company which takes the position that the government agency or other investigator should inform the individual. Some clients, however, apparently do get wind of investigations and demand angrily to know why American Express is releasing such information. When asked by Rep. Edward Koch (D-N.Y.) whether the giving of such information violated the company's fiduciary relations to its customers, the witnesses replied their primary obligation was to obey the law—answer the subpoenas.

Koch pressured further and asked whether the company would be willing to inform customers in advance of such investigations before giving up the evidence, Beller replied, "I can see us getting involved in motions to quash subpoenas. This would add to the cost of our operations."

American Express also requests customers' Social Security numbers, although officials could think of no valid reason for so doing except as proof in fraud cases.

Beller testified that foreign governments—France was the only one he named—have occasionally sought American Express records to discover if their citizens have violated foreign currency regulations.

[From U.S. News & World Report, Feb. 23, 1976]

CREDIT CARDS: GROWING CONCERN OVER YOUR PRIVACY

NEW YORK CITY.—New disclosures here are fueling suspicions of millions that their private credit-card data may not be so private, after all.

Officials of some of the nation's largest credit-card concerns told a federal commission that tax investigators, law-enforcement authorities and other arms of the Government have been able to get hold of credit information—often without the knowledge of the person under scrutiny.

The company officials insisted that such disclosures are few and are made in response to legal orders.

"Abuse of privacy is the exception, rather than the rule," said James M. Stetler, a vice president of American Express Company, one of the largest credit-card companies. Mr. Stetler and other industry officials testified in hearings held here February 11–13 by the U.S. Privacy Protection Study Commission, set up by the Privacy Act of 1974. The panel is looking into how the multi-billion-dollar industry safeguards confidential information.

The investigation is being conducted with "an open mind," said David F. Linowes, chairman of the Commission. But he warned that the trails credit cards leave behind them could be dangerous. If such information should get into the hands of organized crime, for instance, there could be attempts at blackmail and other misuse, Mr. Linowes noted.

PUNCHING A FEW KEYS

Of special concern to the Commission is the use of credit-card information in computers. Mr. Linowes said:

"The universality of credit cards means that information about specific people can be selected and made available merely by punching a few keys in a computer. First, the credit bureaus track down credit-worthiness before cards are issued. Then information continues all along the line—what people buy, where they travel, where they stay, the magazines they subscribe to and the reservations they make.

"All of these things get into computer data banks where a profile of an individual can be designed. The resulting picture can show whether an individual is liberal or conservative, his affluence and habits."

William Dunkelberg, associate director of the Credit Research Center at Purdue University, estimated that more than a half billion cards for credit, charges or cash transfers are in use in the United States. They account for at least 120 billion dollars in transactions a year, he said.

Many businesses in the credit-card field are disturbed by the Commission's investigation.

At the hearings here, spokesmen for American Express conceded that under subpoena the company releases information on cardholders to the Federal Government and private attorneys without informing their customers. The company later announced it will notify cardholders when records are subpoenaed. Other companies—BankAmericard, for one—said they attempt to notify their customers by phone.

Mr. Stetler told of steps taken by American Express to keep information confidential. Access to a customer's purchasing record is limited to a few key personnel, he said. Further, he testified, the company changes weekly the "password" needed by computer operators to get access to customer records.

John Reynalds, president of Interbank Card Association, which administers the Master Charge card, and Dee W. Hock, Jr., president of National BankAmericard, Inc., asserted that much of the information about the financial condition of their cardholders is decentralized. Customer records for these two bank cards, they testified separatley, are kept at individual banks rather than in a central computer.

Industry representatives said that they do not keep cardholders' billing records over a long period of time because it is too costly to do so. Records are kept only for the month in which the bill is mailed to the customer.

According to the companies, increased supervision by the Government would add to the cost of doing business.

W. Lee Burge, president of Equifax, Inc., an Atlanta company that digs into credit backgrounds for card distributors, told *U.S. News & World Report* that the commission's fears are "farfetched in some respects." Laws already restrict the gathering of data on individuals, he said. Mr. Burge added:

"Most of the criticism that has come our way is a lack of understanding of the need for information in the credit field."

Adds another spokesman for a popular credit-card company: "The only thing we are interested in about an individual is whether he's a deadbeat."

PLANNING TO PUSH ON

The Commission, however, made clear that it intends to pursue its study.

Besides the credit-card companies, witnesses at the New York hearings included representatives of American Telephone & Telegraph, Atlantic Richfield, retail stores, airlines and other companies offering credit.

In nearly all cases, they aimed to dispel the concern described by Representative Edward I. Koch (Dem.), of New York, a member of the Commission. He declared: "There's a gut feeling that lots of people have that their privacy is not being respected."

[From the New York Times, Feb. 12, 1976]

POLICIES ON PRIVACY DIFFER IN THE CREDIT-CARD INDUSTRY

(By Richard Phalon)

The Privacy Protection Study Commission was told yesterday that the Bank of America regularly attempts to notify a customer if Federal or other law enforcement agencies subpoena his records, while the American Express Company does not.

Testimony to that effect came from officials of both concerns at the first of a three-day series of hearings into how the credit card industry handles and safeguards confidential information supplied by customers.

The divergent policies followed with the Internal Revenue Service and other governmental agencies came to light when Representative Edward I. Koch, one of the two

legislators on the Commission, questioned James M. Stetler, a vice president of the American Express Company, and Kenneth Larken, a senior vice president of the Bank of America.

ACCOMPANIED BY SUBPOENA

Mr. Stetler told the Commission which is operating under a Congressional mandate to look into actual or potential invasions of individual privacy, that American Express does require the Internal Revenue Service and other governmental agencies to produce a subpoena before agreeing to turn over a consumer's records.

The American Express official said requests from private lawyers also had to be accompanied by a subpoena, including those "involved in matrimonial problems."

"Have there been occasions when the Internal Revenue Service has gotten information from American Express without the company informing the account?" asked Mr. Koch.

The question was fielded by Gary Beller, an assistant general counsel for the company who accompanied Mr. Stetler.

"We don't have the practice of notifying the account," he told the Manhattan Democrat, and added "I guess the company has taken the position if notification is required, either the court would notify (the individual)," or the "regulations" would require the I.R.S. itself to provide notification.

"As an attorney you know that's not so," Mr. Koch rejoined.

"No, but there have been a number of cases where people have been informed, even though it's not required," Mr. Beller said.

He also said that American Express had "no fiduciary responsibility" to notify its clients when a subpena was out. Mr. Koch suggested customers would not have time to move to quash a subpoena if they were not warned of its existence.

Mr. Beller also told the hearing which was held at 26 Federal Plaza, that he as "an attorney could see us getting involved in a lot of motions to quash" if American Express followed the same policy as the Bank of America.

As explained to the commission by Kenneth Larken and Susan Hedemann, an associate general counsel, the Bank of America policy is to regularly notify both by telephone and in writing, a customer whose records are being sought by the I.R.S. or law enforcement agencies.

Miss Hedemann told the * * * that two California court cases, one of them decided last December, made it mandatory for the bank and other financial institutions to notify customers if their records had been subpoenaed in civil cases.

REASON FOR DIFFERENCE

State law aside, one major reason for the difference in policy between the two credit card companies may lie in the fact the Bank of America is a bank, whereas American Express is not.

The common law has long put the burden of confidentiality on bank records, but is not so clearly defined in the case of nonbank financial institutions such as American Express.

David F. Linowes, chairman of the Commission, said there had been thus far "no demonstration" of widespread abuses of confidential information in the credit card industry.

Other witnesses who testified yesterday included Dee W. Hock Jr., president of National BankAmericard Inc.; John Reynalds, president of the Interbank Card Association; and Jeremiah S. Gutman, an attorney for the American Civil Liberties Union.

Mr. Linowes said, however, that there was the "potential" for such abuse, and added that in his view "a lot of power was concentrated in very few hands."

The hearing is scheduled to resume today at 10 a.m.

[From the Washington Post, Feb. 13, 1976]

BELL SYSTEM, ARCO GAVE CREDIT DATA

(By Nancy L. Ross)

NEW YORK, February 12.—Telephone and gasoline credit card records are being turned over to the FBI without a court order or the customer's knowledge, a government investigation of privacy invasions was told today. It also learned of a credit bureau that sold information on its subjects back to them on the pretext of protecting them against unlimited access to their files.

On the second day of testimony before the Privacy Protection Study Commission, William Caming, an attorney for American Telephone & Telegraph Co., said the Bell System has tightened its dissemination of credit data in the past two years and no longer discloses unsubpoenaed records—except in certain cases.

Under questioning by a commission member, Rep. Edward I. Koch (D-N.Y.), Caming said that a personal request from the FBI director, his assistant or a congressional committee conducting a formal investigation was sufficient for AT&T to produce records of long-distance calls, and in some cases the names of both parties involved in a collect call. This information also would be produced in cases of national security, Caming said.

Koch demanded to know why AT&T did not require everyone—including the FBI director—to obtain a court order and let a judge decide whether to give out data without telling the card-holder. Caming replied it might not be in society's best interest to do so because it might hinder law enforcement. He spoke of a delicate balance between "considerations for customers and considerations in crime," and said it was up to Congress—not AT&T—to decide to which side the scales should tip. Caming compared the magnitude of deciding on the toll-call information to deciding on wiretapping.

In virtually no situation is an FBI request revealed to the card-holder. Theoretically the company will tell the customer after 90 days, unless the FBI or other official investigator objects, but only if the customer asks who has been seeking information about him. In past practice, the customer almost never found out.

Koch won a promise from Caming to inform anyone who suspects that his past telephone records might have been requested by the government. The company also promised to furnish such information in the future, subject to the 90-day rule. Interested parties need only inquire at their local telephone business office. Caming said later he expected an "avalanche" of inquiries.

Atlantic Richfield Co.'s retail credit manager, Rudolph J. Megaro, declined to give an assurance that his firm would comply with such requests, although he agreed "philosophically" that ARCO customers should have the right to know who is looking into their charge records.

Megaro told the commission ARCO had received 550 requests in 1975 from federal, state and local law enforcements agencies to provide information on customer's accounts. While about 500 of these dealt with stolen or lost credit cards, others concerned mail fraud or civil or criminal cases, he said.

Some of ARCO's requests were from the Internal Revenue Service, the FBI, the Federal Energy Administration and various courts.

Megaro said that ARCO did not supply information on its customers' accounts to other credit card companies or credit reporting bureaus. With a little prodding from Koch, Megaro admitted he felt "queasy" about supplying information to the FBI and the IRS especially without telling the customer. He said industry would be more comfortable with "guidelines," but opposed applying privacy regulations now in effect for the federal government to private industry, mainly because of the cost.

Support for extending the privacy rules beyond government came from Rep. Bella S. Abzug (D-N.Y.), who chaired the congressional subcommittee that oversees the privacy act. Abzug told how a credit bureau in Nashua, N.H., tried to "ransom" credit files by selling them back to the subjects.

The bureau told the subjects it had copies of personal financial information for sale for $7.50, she said. The letter continued, "We have decided to give you a chance to obtain sole possession of your complete file before it becomes part of a large computerized data bank, which may allow unlimited access by thousands of people."

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 3

At the request of Mr. KENNEDY, the Senator from Washington (Mr. JACKSON) was added as a cosponsor of S. 3, a bill to create a national system of health security.

S. 2402

At the request of Mr. FONG, the Senator from Tennessee (Mr. BROCK) was added as a cosponsor of S. 2402, a bill to amend section 37 of the Internal Revenue Code of 1954 to make the tax treatment of retirement income comparable to that of social security income.

S. 2960

At the request of Mr. HUMPHREY, the Senator from Idaho (Mr. CHURCH) and the Senator from Colorado (Mr. HASKELL) were added as cosponsors of S. 2960, a bill to provide for quarterly adjustments in the support price for milk, and for other purposes.

S. 3004

At the request of Mr. HUMPHREY, the Senator from Iowa (Mr. CLARK), the Senator from Missouri (Mr. SYMINGTON), and the Senator from Wyoming (Mr. MCGEE) were added as cosponsors of S. 3004, a bill to establish a National Commission on Food Costs and Pricing to appraise the food marketing industry.

S. RES. 319

At the request of Mr. CURTIS, the Senator from New Jersey (Mr. WILLIAMS) and the Senator from Wisconsin (Mr. NELSON) were added as cosponsors of Senate Resolution 319, relating to the occupation of certain Baltic Nations by the Soviet Union.

SENATE RESOLUTION 400—SUBMISSION OF A RESOLUTION TO ESTABLISH A STANDING COMMITTEE OF THE SENATE ON INTELLIGENCE ACTIVITIES

(Referred to the Committee on Government Operations.)

(Referred to the Committee on Rules and Administration.)

Mr. MANSFIELD (for Mr. RIBICOFF, for himself, Mr. CHURCH, Mr. PERCY, Mr. BAKER, Mr. BROCK, Mr. CHILES, Mr. GLENN, Mr. JAVITS, Mr. MONDALE, Mr. NUNN, Mr. ROTH, Mr. SCHWEIKER, Mr. WEICKER, Mr. MORGAN, and Mr. HUD-

DLESTON) submitted the following resolution:

S. RES. 400

Resolution to establish a Standing Committee of the Senate on Intelligence Activities, and for other purposes.

Resolved, That it is the purpose of this resolution to establish a new standing committee of the Senate, to be known as the Committee on Intelligence Activities, to oversee and make continuing studies of the intelligence activities and programs of the United States Government, and to submit to the Senate appropriate proposals for legislation concerning such intelligence activities and programs. In carrying out this purpose, the Committee on Intelligence Activities shall make every effort to assure that the appropriate departments and agencies of the United States provide informed and timely intelligence necessary for the executive and legislative branches to make sound decisions affecting the security and vital interests of the Nation. It is further the purpose of this resolution to provide vigilant legislative oversight over the intelligence activities of the United States to assure that such activities are in conformity with the Constitution and laws of the United States.

SEC. 2. Rule XXIV of the Standing Rules of the Senate is amended by adding at the end thereof a new paragraph as follows:

"3. (a) Six members of the Committee on Intelligence Activities shall be from the majority party of the Senate and five members shall be from the minority party of the Senate.

"(b) No Senator may serve on the Committee on Intelligence Activities for more than six years of continuous service, exclusive of service by any Senator on such committee during the Ninety-fourth Congress. To the greatest extent practicable, at least three but not more than four Members of the Senate appointed to the Committee on Intelligence Activities at the beginning of the Ninety-sixth Congress and each Congress thereafter shall be Members of the Senate who did not serve on such committee during the preceding Congress.

"(c) At the beginning of each Congress, the members of the Committee on Intelligence Activities who are members of the majority party of the Senate shall select a chairman, and the members of such committee who are from the minority party of the Senate shall elect a vice chairman. The vice chairman shall act in the place and stead of the chairman in the absence of the chairman. Neither the chairman nor the vice chairman of the Committee on Intelligence Activities shall at the same time serve as chairman or ranking minority member of any other committee referred to in paragraph 6(f) of rule XXV of the Standing Rules of the Senate.".

SEC. 3. (a) Paragraph 1 of rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new subparagraph:

"(s) Committee on Intelligence Activities, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following:

"(A) The Central Intelligence Agency and the Director of Central Intelligence.

"(B) Intelligence activities of all other departments and agencies of the Government, including, but not limited to, the intelligence activities of the Defense Intelligence Agency, the National Security Agency and other agencies of the Department of Defense; the Department of State; the Department of Justice; and the Department of the Treasury.

"(C) The organization or reorganization of any department or agency of the Government to the extent that the organization or reorganization relates to a function or activity involving intelligence activities.

"(D) Authorizations for appropriations for the following:

"(i) The Central Intelligence Agency.

"(ii) The Defense Intelligence Agency.

"(iii) The National Security Agency.

"(iv) The intelligence activities of other agencies and subdivisions of the Department of Defense.

"(v) The intelligence activities of the Department of State.

"(vi) The intelligence activities of the Federal Bureau of Investigation, including all activities of the Intelligence Division.

"(vii) Any department, agency, or subdivision which is the successor to any agency named in item (i), (ii), or (iii); and the activities of any department, agency, or subdivision which is the successor to any department or bureau named in item (iv), (v), or (vi) to the extent that the activities of such successor department, agency, or subdivision are activities described in item (iv), (v), or (vi).".

(b) Paragraph 3 of rule XXV of the Standing Rules of the Senate is amended by inserting:

"Intelligence Activities..... 11"

immediately below

"District of Columbia..... 7".

(c)(1) Subparagraph (d) of paragraph 1 of rule XXV of the Standing Rules of the Senate is amended by inserting "(except matters specified in subparagraph (s))" immediately after the word "matters" in the language preceding item 1.

(2) Subparagraph (i) of paragraph 1 of such rule is amended by inserting "(except matters specified in subparagraph (s))" immediately after the word "matters" in the language preceding item 1.

(3) Subparagraph (j)(1) of paragraph 1 of such rule is amended by inserting "(except matters specified in subparagraph (s))" immediately after the word "matters" in the language preceding item (A).

(4) Subparagraph (l) of paragraph 1 of such rule is amended by inserting "(except matters specified in subparagraph (s))" immediately after the word "matters" in the language preceding item 1.

SEC. 4. (a) The Committee on Intelligence Activities of the Senate, for the purposes of accountability to the Senate, shall make regular and periodic reports to the Senate on the nature and extent of the intelligence activities of the various departments and agencies of the United States. Such committee shall promptly call to the attention of the Senate or to any other appropriate committee or committees of the Senate any matters deemed by the Committee on Intelligence Activities to require the immediate attention of the Senate or such other committee or committees. In making such reports, the committee shall proceed in a manner consistent with paragraph 7(c)(2) to protect national security.

(b) The Committee on Intelligence Activities of the Senate shall obtain an annual report from the Director of the Central Intelligence Agency, the Secretary of Defense, the Secretary of State, and the Director of the Federal Bureau of Investigation. Such report shall review the intelligence activities of the agency or department concerned and the intelligence activities of foreign countries directed at the United States or its interests. Such report shall be unclassified and shall be made available to the public by the Committee on Intelligence Activities. Nothing herein shall be construed as requiring the disclosure in such reports of the names of individuals engaged in intelligence activities for the United States or the sources of information on which such reports are based.

SEC. 5. (a) No person may be employed as a professional staff member of the Committee on Intelligence Activities of the Senate or be engaged by contract or otherwise to perform professional services for or at the request of such committee for a period totaling more than six years.

(b) No employee of such committee or any person engaged by contract or otherwise to perform services for or at the request of such committee shall be given access to any classified information by such committee unless such employee or person has (1) agreed in writing to be bound by the rules of the Senate and of such committee as to the security of such information during and after the period of his employment or contractual agreement with such committee; and (2) received an appropriate security clearance as determined by such committee in consultation with the Director of Central Intelligence. The type of security clearance to be required in the case of any such employee or person shall, within the determination of such committee in consultation with the Director of Central Intelligence, be commensurate with the sensitivity of the classified information to which such employee or person will be given access by such committee.

SEC. 6. The Committee on Intelligence Activities of the Senate shall formulate and carry out such rules and procedures as it deems necessary to prevent the disclosure, without the consent of the person or persons concerned, of information in the possession of such committee which unduly infringes upon the privacy or which violates the constitutional rights of such person or persons. Nothing herein shall be construed to prevent such committee from publicly disclosing any such information in any case in which such committee determines the national interest in the disclosure of such information clearly outweighs any infringement on the privacy of any person or persons.

SEC. 7. (a) The Committee on Intelligence Activities of the Senate may, subject to the provisions of this section, disclose publicly any information in the possession of such committee after a determination by such committee that the public interest would be served by such disclosure. Whenever committee action is required to disclose any information under this section, the committee shall meet to vote on the matter within five days after any member of the committee requests such a vote.

(b)(1) In any case in which the Committee on Intelligence Activities of the Senate votes to disclose publicly any information submitted to it by the executive branch which the executive branch requests be kept secret, such committee shall notify the President of such vote.

(2) The committee may disclose publicly such information after the expiration of a five-day period following the day on which notice of such vote is transmitted to the President, unless, prior to the expiration of such five-day period, the President notifies the committee that he objects to the disclosure of such information, provides his reasons therefor, and certifies that the threat to the national interest of the United States posed by such disclosure is vital and outweighs any public interest in the disclosure.

(3) The Committee on Intelligence Activities may disclose publicly such information at any time after the expiration of three days following the day on which it receives an objection from the President pursuant to paragraph (2), unless, prior to the expiration of such three days, three or more members of such committee file a request in writing with the chairman of the committee that the question of public disclosure of such information be referred to the Senate for decision.

(4) In any case in which the Committee

on Intelligence Activities votes not to disclose publicly any information submitted to it by the executive branch which the executive branch requests be kept secret, such information shall not be publicly disclosed unless three or more members of such committee file, within three days after the vote of such committee disapproving the public disclosure of such information, a request in writing with the chairman of such committee that the question of public disclosure of such information be referred to the Senate for decision, and public disclosure of such information is thereafter authorized as provided in paragraph (5) or (6).

(5) Whenever three or more members of the Committee on Intelligence Activities file a request with the chairman of such committee pursuant to paragraph (3) or (4), the chairman shall, not later than the first day on which the Senate is in session following the day on which the request is filed, report the matter to the Senate for its consideration.

(6) One hour after the Senate convenes on the first day on which the Senate is in session following the day on which any such matter is reported to the Senate, the Senate shall go into closed session and the matter shall be the pending business. In considering the matter in closed session the Senate may—

(A) approve the public disclosure of the information in question, in which case the committee shall publicly disclose such information.

(B) disapprove the public disclosure of the information in question, in which case the committee shall not publicly disclose such information, or

(C) refer the matter back to the committee, in which case the committee shall make the final determination with respect to the public disclosure of the information in question.

Upon conclusion of the consideration of such matter in closed session, which may not extend beyond the close of the fifth day following the day on which such matter was reported to the Senate, the Senate shall immediately vote on the disposition of such matter in open session, without debate, and without divulging the information with respect to which the vote is being taken. The Senate shall vote to dispose of such matter by the means specified in clauses (A), (B), and (C) of the second sentence of this paragraph.

(c)(1) No classified information in the possession of the Committee on Intelligence Activities relating to the lawful intelligence activities of any department or agency of the United States which the committee or the Senate, pursuant to subsections (a) or (b) of this section, has determined should not be disclosed shall be made available to any person by a Member, officer, or employee of the Senate except in a closed session of the Senate or as provided in paragraph (2).

(2) The Committee on Intelligence Activities, or any member of such committee, may, under such regulations as the committee shall prescribe to protect the confidentiality of such information, make any information described in paragraph (1) available to any other committee or any other Member of the Senate. Whenever the Committee on Intelligence Activities, or any member of such committee, makes such information available, the committee shall keep a written record showing, in the case of any particular information, which committee or which Members of the Senate received such information. No Member of the Senate who, and no committee, which, receives any information under this subsection, shall make the information available to any other person, except that a Senator may make such information available either in a closed session of the Senate, or to another Member of the Senate; however, a Senator who communicates such information to another Senator not a member of the committee shall promptly inform the Committee on Intelligence Activities.

(d) The Select Committee on Standards and Conduct may investigate any alleged disclosure of intelligence information by a Member, officer, or employee of the Senate in violation of subsection (c). At the request of five of the members of the Committee on Intelligence Activities or sixteen Members of the Senate, the Select Committee on Standards and Conduct shall investigate any such alleged disclosure of intelligence information and report its findings and recommendations to the Senate.

(e) Upon the request of any person who is subject to any such investigation, the Select Committee on Standards and Conduct shall release to such individual at the conclusion of its investigation a summary of its investigation together with its findings. If, at the conclusion of its investigation, the Select Committee on Standards and Conduct determines that there has been a significant breach of confidentiality or unauthorized disclosure by a Member, officer, or employee of the Senate, it shall report its findings to the Senate and recommend appropriate action such as censure, removal from committee membership, or expulsion from the Senate, in the case of Member, or removal from office or employment, in the case of an officer or employee.

SEC. 8. The Committee on Intelligence Activities of the Senate is authorized to permit any personal representative of the President, designated by the President to serve as a liaison to such committee, to attend any closed meeting of such committee.

SEC. 9. Upon expiration of the Select Committee on Governmental Operations With Respect to Intelligence Activities, established by S. Res. 21, Ninety-fourth Congress, all records, files, documents, and other materials in the possession, custody, or control of such committee, under appropriate conditions established by it, shall be transferred to the Committee on Intelligence Activities.

SEC. 10. (a) It is the sense of the Senate that the head of each department and agency of the United States should keep the Committee on Intelligence Activities of the Senate fully and currently informed with respect to intelligence activities, including any significant anticipated activities, which are the responsibility of or engaged in by such department or agency.

(b) It is the sense of the Senate that the head of any department or agency of the United States involved in any intelligence activities should furnish any information or document in the possession, custody, or control of the department or agency, or witness in its employ, whenever requested by the Committee on Intelligence Activities of the Senate with respect to any matter within such committee's jurisdiction.

(c) It is the sense of the Senate that each department and agency of the United States should report immediately upon discovery to the Committee on Intelligence Activities of the Senate any and all intelligence activities which constitute violations of the constitutional rights of any person, violations of law, or violations of Executive orders, Presidential directives, or departmental or agency rules or regulations; each department and agency should further report to such committee what actions have been taken or are expected to be taken by the departments or agencies with respect to such violations.

SEC. 11. It shall not be in order in the Senate to consider any bill or resolution, or amendment thereto, or conference report thereon, which appropriates funds for any fiscal year beginning after September 30, 1976, to, or for the use of, any department or agency of the United States to carry out any of the following activities, unless such funds have been previously authorized by law to carry out such activity for such fiscal year—

(1) The activities of the Central Intelligence Agency.

(2) The activities of the Defense Intelligence Agency.

(3) The activities of the National Security Agency.

(4) The intelligence activities of other agencies and subdivisions of the Department of Defense.

(5) The intelligence activities of the Department of State.

(6) The intelligence activities of the Federal Bureau of Investigation, including all activities of the Intelligence Division.

SEC. 12. (a) The Committee on Intelligence Activities shall make a study with respect to the following matters, taking into consideration with respect to each such matter, all relevant aspects of the effectiveness on planning, gathering, use, security, and dissemination of intelligence—

(1) the quality of the analytical capabilities of United States foreign intelligence agencies and means for integrating more closely analytical intelligence and policy formulation;

(2) the extent and nature of the authority of the departments and agencies of the executive branch to engage in intelligence activities and the desirability of developing charters for each intelligence agency or department;

(3) the organization of intelligence activities in the executive branch to maximize the effectiveness of the conduct, oversight, and accountability of intelligence activities; to reduce duplication or overlap; and to improve the morale of the personnel of the foreign intelligence agencies;

(4) the conduct of covert and clandestine activities and the procedures by which Congress is informed of such activities;

(5) the desirability of changing any law, Senate rule or procedure, or any Executive order, rule, or regulation to improve the protection of intelligence secrets and provide for disclosure of information for which there is no compelling reason for secrecy;

(6) the desirability of establishing a joint committee of the Senate and the House of Representatives on intelligence activities in lieu of having separate committees in each House of Congress, or of establishing procedures under which separate committees on intelligence activities of the two Houses of Congress would receive joint briefings from the intelligence agencies and coordinate their policies with respect to the safeguarding of sensitive intelligence information;

(7) the authorization of funds for the intelligence activities of the government and whether disclosure of any of the amounts of such funds is in the public interest; and

(8) the development of a uniform set of definitions for terms to be used in policies or guidelines which may be adopted by the executive or legislative branches to govern, clarify, and strengthen the operation of intelligence activities.

(b) The Committee on Intelligence Activities of the Senate shall report the results of the study provided for under subsection (a) to the Senate, together with any recommendations for legislative or other actions it deems appropriate, no later than July 1, 1977, and from time to time thereafter as it deems appropriate.

SEC. 13. (a) As used in this resolution, the term "intelligence activities" includes (1) the collection, analysis, production, dissemination, or use of information which relates to any foreign country, or any government, political group, party, military force, movement, or other association in such foreign country, and which relates to the defense, foreign policy, national security, or related

policies of the United States, and other activity which is in support of such activities; (2) activities taken to counter similar activities directed against the United States; (3) covert or clandestine activities affecting the relations of the United States with any foreign government, political group, party, military force, movement or other association; (4) the collection, analysis, production, dissemination, or use of information about activities of persons within the United States, its territories and possessions, or nationals of the United States abroad whose political and related activities pose, or may be considered by any department, agency, bureau, office, division, instrumentality, or employee of the United States to pose, a threat to the internal security of the United States, and covert or clandestine activities directed against such persons. Such term does not include tactical foreign military intelligence serving no national policymaking function.

(b) As used in this resolution, the term "department or agency" includes any organization, committee, council, establishment, or office within the Federal Government.

(c) For purposes of this resolution, reference to any department, agency, bureau, or subdivision shall include a reference to any successor department, agency, bureau, or subdivision to the extent that such successor engages in intelligence activities now conducted by the department, agency, bureau, or subdivision referred to in this resolution.

SEC. 14. Nothing in this resolution shall be construed as constituting acquiescence by the Senate in any practice, or in the conduct of any activity, not otherwise authorized by law.

Mr. BAKER. Mr. President, I am gratified by the opportunity to cosponsor the Senate resolution submitted today to establish a Standing Committee on Intelligence Activities, and I commend the several members of the Government Operations Committee and the Select Committee on Intelligence Activities which have participated in this endeavor.

As may be recalled, I declined to cosponsor S. 2893, the Intelligence Oversight Act introduced by my distinguished colleague from Idaho (Mr. CHURCH) and other members of the select committee, because I strongly objected to two provisions of that bill. Specifically, I opposed the provisions requiring prior notice of covert or clandestine operations as a condition precedent to executive action, and allowing declassification of executive documentation over the objection of the President by a majority vote of an individual Senate committee. Consequently, I am pleased that the Government Operations Committee deleted the prior notice requirement in this resolution, while retaining the stricture that the new oversight committee be "fully and currently informed." In my opinion, the former requirement was fraught with practical and constitutional difficulty, and prevented my cosponsorship of the so-called Church committee bill, notwithstanding my active support for congressional oversight legislation and my participation in the drafting of that bill.

I remain concerned about the provisions for disclosure of classified information over the objection of the President as are contained in section 7 of this resolution which I am today cosponsoring. As I indicated in my testimony before the Government Operations Committee, and in subsequent communication with Senator PERCY, I believe that such disclosure over Presidential objection should occur only by a majority vote of the full Senate, at the very least, and preferably by concurrent resolution of the two Houses of Congress. After all, it is the aggregation of the House of Representatives and the Senate that constitute the coordinate branch of Government; and I believe that it would be constitutionally more appropriate for the full Congress to overrule a determination of confidentiality by the President.

To the extent that this resolution provides for disclosure by the proposed new committee, unless three Members thereof object in writing, or disclosure by the committee upon referral by the Senate, I am in disagreement; and I wish to apprise my colleagues that, should these provisions reach the floor of the Senate unaltered, I will attempt to amend the resolution to prohibit disclosure of confidential information over Presidential objection unless such disclosure is authorized by concurrent resolution of the House and Senate.

Other than this remaining objection, I think that this resolution is an appropriate and timely vehicle for enhancing and elaborating congressional oversight of the U.S. intelligence effort. Such proposals have been before the Congress for over 20 years, and I congratulate the Government Operations Committee for its thoughtful and intensive hearings and for its wisdom in reporting this resolution to the Senate. I look forward to further consideration of this proposal and to the views and alternative proposals of my colleagues.

Mr. President, I ask unanimous consent that a letter from me to the distinguished ranking member of the Government Operations Committee (Mr. PERCY) in response to his request for my specific views of S. 2893 be printed in the RECORD.

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

FEBRUARY 17, 1976.

Hon. CHARLES H. PERCY,
Committee on Government Operations,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: I am pleased to further elaborate my views of intelligence oversight legislation currently before the Government Operations Committee and, specifically, of S. 2893, the bill introduced by Senator Church and seven other members of the Senate Select Committee on Intelligence Activities.

As I indicated both during the deliberations of the Select Committee and on the floor of the Senate, I consider two provisions of S. 2893 to be highly undesirable. To be precise, I respectfully recommend to the Government Operations Committee that Section 10 be deleted in its entirety and that Subsections (c) and (d) be stricken from Section 13.

With respect to Section 10, and as I have stated previously, I do not believe that information transmitted from the Executive Branch to the Congress should be disclosed publicly, over the objection of the President, other than by a majority vote of the full Senate, rather than by a determination by a committee upon referral as is provided in Section 10. Rather than the adoption of Section 10, I strongly suggest that Rule XXXVI of the Standing Rules of the Senate be amended so as to clarify that disclosure of classified documentation shall not occur over the objection of the President without leave of the full Senate, as expressed by an affirmative vote of the Senate on the issue of disclosure.

I would strike Subsections (c) and (d) of Section 13 because those provisions are fraught with constitutional and practical difficulty. Notwithstanding my support for effective and vigorous Congressional oversight of the intelligence community, and notwithstanding my belief that the conduct of intelligence activities must become a cooperative undertaking between the coordinate Branches of Government, I find that the provision of prior notice to Congress of clandestine operations, as a condition precedent to such undertakings, is incompatible with the President's constitutional powers to conduct foreign policy and to act as Commander in Chief. This sense of incompatibility becomes especially poignant when required prior notice is coupled with the threat of disclosure, thereby constituting an effective veto power.

As I have often stated, the requirement, provided in Section 13(a), that the oversight committee be "fully and currently informed" enjoys the benefit of over 20 years of precedent dating from the passage of the Atomic Energy Act. This requirement has afforded the Joint Committee on Atomic Energy timely and informed notice of sensitive operations and will provide the new oversight committee with a sufficient mandate to require information of the Executive Branch.

I also am disturbed, albeit less strenuously, by the provision in Section 5 of S. 2893 stating that the current jurisdiction of other Senate committees shall not be repealed or diminished by the provisions of that bill. In my opinion, a new oversight committee can be effective only if it is a single-purpose, primary oversight committee which is solely charged with the important business of intelligence oversight. Furthermore, I sympathize with the complaints of the intelligence community that the Central Intelligence Agency currently is required to brief six Congressional subcommittees on intelligence matters; and I think that the retention of dual or concurrent jurisdictions between the existing committees and the new committee will create an unwieldy and unworkable situation.

While I understand that the Government Operations Committee is required to submit a report on S. 2893 not later than March 1 of this year, I also commend to the Committee during its mark-up sessions the approach adopted in S. 317, the Joint Committee on Intelligence Oversight Act introduced by Senator Lowell Weicker and myself. That legislation, as does S. 2893, provides that the new committee should possess exclusive funding authorization jurisdiction and makes clear that the new committee's authorization and oversight jurisdiction encompasses the national security activities of the Federal Bureau of Investigation, authorities which I consider to be integral elements of coordinated, effective oversight.

Additionally, in defining those "intelligence activities" which are subject to the jurisdiction of the new oversight committee, I suggest that your committee take cognizance of ad hoc intelligence operations, such as the infamous Plumbers Group, so as to make clear that the new committee is to receive full and current information of all intelligence activities, whether or not such activities are conducted by those departments and agencies which fall within the committee's primary jurisdiction.

Finally, while I am disturbed greatly by the recent unauthorized disclosures of intelligence information, and while I fully support strengthening the sanctions against such

disclosure by Members of Congress and their staffs, I wish to respectfully submit that the establishment of an effective Congressional oversight capability, and the strengthening of prohibitions against "leaks" are not mutually exclusive. I think it unfortunate that the impetus for effective Congressional oversight of the intelligence community has been somewhat diminished by the irresponsible conduct of a few, and I believe that the recent and contemptible experience of Congress in maintaining the confidentiality of information will be at least partially remedied by the establishment of a formal and responsible committee arrangement for intelligence oversight.

Thank you again for requesting and considering my views.

Yours very truly,

HOWARD H. BAKER, JR.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that a resolution (S. Res. 400) submitted earlier be referred to the Committee on Rules and Administration which would, in accordance with the prior unanimous-consent agreement, be under obligation to be reported to the Senate no later than March 20, 1976.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Robert E. Lee, of Colorado to be a member of the Foreign Claims Settlement Commission of the United States for a term of 3 years from October 22, 1975, vice Lyle S. Garlock.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Monday, March 8, 1976, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ANNOUNCEMENT OF CONTINUED HEARINGS IN PREPARATION FOR THE FIRST CONCURRENT RESOLUTION

Mr. MUSKIE. Mr. President, the Senate Budget Committee continues public hearings on the first concurrent resolution on the budget for fiscal 1977 on March 2, 4, 5, and March 9, 10, 11.

These hearings will provide valuable information to the Budget Committee for making decisions on the first concurrent resolution on the budget, which must be reported by the committee to the Senate by April 15. This first concurrent resolution on the budget will set targets for total budget outlays and total new budget authority as well as targets for spending in each major functional category of the budget. The first resolution will also specify targets for revenues for the coming fiscal year as well as the surplus or deficit in the budget which is appropriate in light of economic conditions and all other relevant factors.

On Tuesday, March 2, the topic will be "Retirement Programs and the 1977 Budget." The witnesses will be Commissioner of the Social Security Administration James B. Cardwell; Prof. William Hsiao, an actuary, formerly with HEW; Dr. Robert Ball of the Institute of Medicine and former Commissioner of the Social Security Administration; and Dr. Otto Eckstein, president of Data Resources, Inc.

On Thursday, March 4, the topic will be "monetary policy" and Chairman of the Federal Reserve Board Arthur Burns will testify.

"Foreign Policy and the Budget" is the topic of the hearing on Friday, March 5. Under Secretary of State for Political Affairs Joseph J. Sisco will testify.

On Tuesday, March 9, the topic will be "The Defense Budget." Secretary of Defense Donald H. Rumsfeld will testify at 10 a.m. At 2 p.m., Mr. Paul C. Warnke, former Assistant Secretary of Defense, will testify before the committee.

"Economic Forecast—Projections for Fiscal Year 1977" is the topic for our hearing on Wednesday, March 10. The witnesses will be Senator Hubert H. Humphrey, chairman of the Joint Economic Committee; Dr. Walter W. Heller, former Chairman of the Council of Economic Advisers; and Dr. Paul McCracken, former Chairman of the Council of Economic Advisers.

On Thursday, March 11, the topic will be "Labor and Management View the Budget."

All hearings will begin at 10 a.m. unless otherwise noted in room 357 of the Russell Senate Office Building.

ANNOUNCEMENT OF HEARINGS

Mr. SPARKMAN. Mr. President, I wish to announce that the committee on Foreign Relations plans to hold the first of several hearings on the Treaty of Friendship and Cooperation with Spain (Ex. E, 94–2) on Wednesday, March 3, 1976, at 10:00 a.m., room 4221, Dirksen Building, to hear Ambassador Robert McCloskey and other members of the U.S. negotiating team.

ADDITIONAL STATEMENTS

DR. HERBERT A. STAHL

Mr. HRUSKA. Mr. President, historians no doubt will look back upon this, the 20th century, with mixed feelings. On one hand, the past 75 years have witnessed the greatest technological and scientific advances since the first stirrings of recorded civilization. These great accomplishments should have heralded the dawn of the golden age of mankind. Unfortunately, this has not been the case for, in fact, the 20th century has contained some of history's most butal examples of man's inhumanity to his fellow man.

The details of this century's first 75 years have been well documented. They have included war, genocide, massacres, the mass displacement and movement of countless millions of refugees. I would like to take the opportunity to record one small footnote to this history by relating the case of Dr. Herbert A. Stahl.

Dr. Stahl was born in 1907 in Pressburg—now called Bratislava—of what was then part of the Austrian-Hungary Empire. Bratislavia is situated on the left bank of the river Danube, just 1 hour's drive from Vienna. Across the river, readily seen from the Castle of Bratislava, are a few tiny Austrian villages where most of Herbert Stahl's ancestors came from. On the western horizon, the bluish silhouette of the famed Vienna Woods are cleary discernible. He was a citizen of that empire until 1918 when in the wake of World War I the Hapsburgs were deposed and the modern Czechoslovakian state created.

After the establishment of the new state, Dr. Stahl became a Czechoslovakian citizen. During the census of 1928, however, the citizens of Czechoslovakia were required to register according to their mother language. For Dr. Stahl this meant that he had to register using the language also spoken in Vienna, that is, the Germanic language. This was to have grave consequences in future years.

As the new state prospered and advanced, so did the fortunes of Dr. Stahl who in 1932 had graduated from the University of Prague and was now a scientist and a writer. A 1-year's sojourn in Berlin familarized him with the model German research institutions, particularly as basic and applied research into physics are concerned. During the early 1930's Dr. Stahl busied himself as a free lance writer of articles some of which opposed dictatorship and advocated the concept of a United States of Europe. Later, he was to be a prolific writer publishing, among others, 16 professional essays, in Czech or Slovak language, centering upon the flagrant absence of applied and industrial research in Czechoslovakia. These were well received and recognition of his work resulted in an invitation to be listed in a Czechoslovak Interservice World Engineering Whos Who, published in Prague. In 1937, he coauthored a Jewish cultural encyclopedia entitled "Jews in German Cultural Sphere."

During all these years, Dr. Stahl proceeded in his favorite field of tube electronics centering on the production of neon light devices. In 1933, he became the licensee for a Jewish-owned company founded in Prague by a refugee friend from Berlin, and continued later in the neon department of a huge shoe concern in Alin, Moravia, soon to be dismantled by the owners in a wise foreboding of the rapidly approaching apocalypse.

During this same prewar period Dr. Stahl was by his own initiative instrumental in advancing the concept of a central Czechoslovak Institute for Industrial Research. This productive activity, however, came to a halt as a result of a serious traffic accident in 1938, and the concurrent pre-Munich confusion in Czechoslovakia. As Dr. Stahl laid confined to a hospital bed, the German Army under the pretext of protecting the German minority, marched into the Sudetenland. The rest is well known, within a short time Czechoslovakia was under total German domination, and the world once again was at war.

Recovering from his injuries, Dr. Stahl soon found that there were practically no professional opportunities whatsoever for reasonable work in prostrate, German-controlled, Czechoslovakia. He had now a third citizenship namely that of Slovakia—to become his last one in Europe. As this puppet state was almost totally an agricultural community, Dr. Stahl returned in 1939 to Berlin where he joined the staff of a leading chemical reference work conducting later active scientific research and development in tube electronics.

In 1943, Dr. Stahl left Berlin and went westward to Hanoia near Frankfurt where he conducted similar work, his results being published after the war in Dutch, American, Swiss, and German journals. By now, he was married to a German girl who, as a result of that marriage, had lost her citizenship, to become also a Slovak citizen.

Thus was the situation in 1945 when Germany surrendered to the victorious allies.

The conclusion of World War II resulted in many changes upon the map of Europe. According to some historians, certain of these changes resulted from a deliberate effort on the part of the Allies to eliminate possible sources of future upheavals by moving various ethnic minorities from areas long regarded as their historic homeland to countries where they would be part of a predominant culture. Thus, along with other minority groups caught in the postwar maelstrom of millions of refugees were some 3 million Sudeten Germans who were expelled from their primeval homeland in Bohemia and Moravia. Expelled or not, others were to have their properties confiscated.

Dr. Stahl, who by this time was in Great Britain, had his sizable real estate holdings, including his home in Bratislava with its multilingual library confiscated by the authorities as German reparations. This happened despite the fact that neither he nor his forefathers had ever been citizens of Germany, but of the Danubian Monarchy referred to above. In so doing the Czech Government ignored his stalwart service to the nation in the prewar years, and the oppressing peril throughout the Nazi domination.

Like many other refugees, Dr. Stahl never returned to the land of his fathers. Instead, he came to the United States where he was able to secure a job at the University of Kansas Medical Center. Later, he was to work for Westinghouse and RCA in their electronic tube factories, being mostly engaged in governmental work. In 1957, 5 years after his arrival in this country, he became a citizen.

Since 1962, Dr. Stahl, who had become a senior physicist in optoelectronics, has worked at the Army's Night Vision Lab located at Fort Belvoir, Va.

This story has had a relatively happy ending for unlike millions of others who perished during the turbulent years of the 1930's and 1940's, Dr. Stahl survived, and was able to rebuild his life.

The issue of the moral and legal responsibilities of the Czechoslovak Government which so callously expelled its citizens, and expropriated huge masses of property, however, remains as a thorn in Czech-United States relations to this very day.

NATIONAL POLICY PLANNING: ROOSEVELT TO NIXON

Mr. HUMPHREY. Mr. President, last month Oxford University Press published an important new book by Dr. Otis Graham titled, "Toward a Planned Society: Roosevelt to Nixon." This book by Dr. Graham presents a history of the national planning idea in the United States from the early 1930's through the early 1970's. Publication of Dr. Graham's work could not have occurred at a more timely moment than now when Congress and the Nation are once again considering alternatives for improving our Nation's ability to think ahead, or to conduct long-range planning and integrative policy analysis—an idea which, this time, we must address and implement.

Dr. Graham asserts that the common denominator of the administrations of Franklin Roosevelt, Harry Truman, Dwight Eisenhower, John Kennedy, Lyndon Johnson, and Richard Nixon was their failure, even when they had the will, to systematically plan and coordinate Federal domestic policy. Otis Graham's new book shows that those who tried to establish a policy planning capacity were either frustrated by the bureaucracy, by the Congress, or by the Constitution, or they were diverted from the task by foreign affairs.

Graham presents a history of the national planning idea from the crisis of the Great Depression through the Nixon administration. His thesis are that the Federal Government of the United States of America has never had the institutional capacity to plan national domestic policy in a rational, cohesive way; that the national planning idea has repeatedly appeared in the 20th century White House; that both liberal and conservative Presidents have contributed significantly to the evolution toward a national planning capacity, and that we are at another historic moment when basic choices about national planning present themselves to us for decision.

Graham's account of the evolution toward planning reveals that he clearly believes in the value of planning as a method of public management at the highest level of government. His first 316 pages deal with efforts to organize for policy planning and coordination in the Presidency itself. But even though his emphasis is on planning as an organizational technique, as an approach that can be used by liberals and conservatives alike, he recognizes that planning and rational control of the executive branch with its various bureaucracies mean a more effective executive branch, and to that extent a more powerful executive branch. This requires careful design of democratic planning institutions if planning is to contribute positively to the quality of democratic life in America. The question of whether to plan is an old question we must plan, as every activist President has seen. The real question is how to plan in a democratic society. "How does the public control a government wielding more concentrated power than ever before," asks Graham. "The arrival of Planning," he says, "joins political theory and public administration, urgently requiring a synthesis of the forms of control and means of accountability."

Every President, when beginning his new job, has been faced with the problem of how to manage a bureaucracy that is fragmented, organized in large part on the basis of service to constituencies or interest groups rather than on the basis of function, each agency pursuing its own ends with little or no regard for the purposes and activities of other agencies and often insensitive to Presidential purposes as well. New Presidents have not found waiting for them any institutionalized mechanisms for setting cohesive domestic policy goals, any staff structure for policy analysis, any long-range forecasting capabilities, or any methods for controlling and integrating the actions of individual executive agencies to carry out Presidential purposes.

When FDR entered the White House, says Graham, it was staffed by "a cook, butler, switchboard operators and guards, a handful of secretaries, and two Southern newspapermen whom he enlisted as aides. He could also call upon a Navy doctor. There was no Executive Office of the President, no economic or technical staff. Across the street the real Government began, the 10 departments and scattered agencies of the executive branch. The President had no institutional capacity to see social problems and policy responses as a whole."

The Bureau of the Budget, which had been created in 1921, was the only available tool FDR had for policy control; but this was largely negative or containing control which was not adequate for creating integrated policy. The Cabinet—and the National Emergency Council, a supercabinet whose members were heads of Cabinet and other executive agencies—reflected the fragmentation of the bureaucracies that the Cabinet members headed; it was of little or no help in White House efforts to give some structure to the top executive management of the Federal Government.

In spite of the creation of the Executive Office of the President and the provision of a larger White House staff, FDR left President Truman with the same structural problems he himself had faced. However, Graham says that Truman did not feel his predecessor's frustration over the inability to make coherent and effective domestic policy or his urge to set in motion long-term processes of social change. The structural problems were subsequently passed on to President Eisenhower, who also left the Federal Government's domestic policy structure pretty much as he had found it when he took office. It is interesting that in matters of foreign affairs and national defense President Eisenhower did establish a futures-oriented, policy coordination institution—the National Security Council.

The Kennedy administration began to sense the structural problems of the executive branch with regard to domestic policy, but it was robbed of the chance to do much about them by the assassination. Concern continued into the Johnson administration and led to the establishment of planning-programing-budgeting system—PPBS—as an effort to manage Federal domestic activities after the technique had been so impressively demonstrated by Secretary McNamara at the Department of Defense. It also led to consideration of executive reorganization proposals. Nevertheless, structural problems remained. The Neineman task force, appointed by President Johnson, summed up the situation in its 1967 report, which Graham quotes as follows:

> Federal social program remained badly coordinated in Washington and in the field. . . . The President lacks institutional staff and machinery . . . to anticipate . . . to control and pull together . . . to plan ahead . . . to review.

This was the situation which President Nixon, in his turn, inherited and which he sought to change during his first term by way of highly significant efforts to strengthen White House control of domestic policy. The credit for much of the movement toward establishing a domestic policy planning capacity in the White House appears to belong to the creative and energetic activity of Daniel P. Moynihan and perhaps to John Erlichman. But presidential attention to domestic policy matters was distracted, and when Mr. Nixon resigned he handed to President Ford the same structural problems that have persistently hindered the planning and coordinating of Federal domestic policy.

In response to chronic problems the planning idea has appeared repeatedly since the thirties, but under a variety of names. Sometimes it was called planning, and agencies such as the National Resources Planning Board, the Agricultural Adjustment Administration, and the National Recovery Administration appeared. These New Deal agencies disappeared before the Nation had an opportunity to learn much from these early and infant planning agencies. Planning also appears in the cloak of executive reorganization, one of the most significant appearances of which was under former President Nixon who sought to rearrange executive agencies into groupings based on function. Congress did not approve this proposed reorganization plan, which also included the creation of a supercabinet consisting of White House counselors with broad functional responsibilities and in principle not beholden to any special interest groups or constituencies. Creation of the Domestic Council for coordination of domestic policy was also a manifestation of the planning idea, although it was structurally as flawed and as disappointing in its eventual utility as President Roosevelt's National Emergency Council. The planning idea appeared in the forum of rationalizing expenditure decisions of individual agencies and of the Government as a whole through the method of PPBS under President Johnson, as mentioned earlier, and with the name of "Management by Objective" under President Nixon. Goal setting is also part of the planning idea. Its most recent form was President Nixon's National Goals Research Staff, which was dismantled after it issued its first report.

As Graham's history so vividly depicts for us, conservatives are wrong when they say that planning is a liberal game, that it has no place on the conservative agenda for the Federal Government. Graham shows us that planning is a method, a way of working, that can be used by liberal and conservative alike. As a paradigm for administrative behavior, it has no ideology. The liberal Franklin Delano Roosevelt believed in planning, talked about it, and tried to do it. The conservative Richard Nixon showed his planners' mind in his efforts to make changes in the country's top executive management structure during his first term. In a telling 1962 quote from James Reston, "He attacked planning, but he planned everything."

Movement toward national planning was given a major push in the passage of title VII of the Housing and Urban Development Act of 1970, which declared that the country needed a national urban growth policy and which called upon the President to submit to the Congress biennial reports on national urban growth. President Nixon supported the notion of a national growth policy early in his first term, but the 1972 growth report which his administration prepared was a nullity. The second growth report, due in February of 1974 and also prepared largely during the shreads of his second term, was only a slight improvement.

There is a certain one-sideness built into Graham's history of the evolution toward national planning in America. His book focuses entirely upon the executive branch, mentioning the Congress generally as a demonic force that has interfered with the creation of a planning capacity in the Federal Government.

However, the temper of the Congress is changing significantly. Members of Congress and the congressional leadership exhibit an increasing awareness of the need to set goals, to have a view that stretches beyond the reelection cycle, to foresee problems that will be upon us before we sometimes care to think, and to establish ways to design and coordinate Federal policy and activities in a more rational, coherent way in both the executive branch and in the Congress. Statutory requirements for a Presidential report on national growth, creation of the Congressional Budget Office and the Office of Technology Assessment, expansion of the policy analysis capabilities of the Congressional Research Service and the General Accounting Office, legislative reorganization efforts—including the new congressional budget process—that mandate a futures orientation, the creation of an Advisory Committee on Balanced National Growth and Development, Senator JAVITS's bill to establish a Congressional Office of Regulatory Policy Oversight which would be charged with coordinating, modernizing and planning national regulatory policy, and the proposed Balanced Growth and Economic Planning Act which Senator JAVITS and I introduced in 1975 all show that national planning is no longer taboo on Capitol Hill.

There are a couple of small errors that warrant correction. Graham remarks on the willingness of the Congress, even among conservatives such as Robert Taft, Sr., to provide assistance to local governments for the conduct of planning. But the program, the so-called comprehensive planning assistance programs established by section 701 of the Housing Act of 1954, was not aimed at planning for urban renewal as Graham suggests. Urban renewal got its own planning assistance channels in the community renewal program authorized in 1959. The 701 planning assistance program was created in response to explosive metropolitan growth that was being experienced in the fifties. In its original form, the program provided assistance to small communities, that is, with population of less than 20,000 and to metropolitan planning efforts. The assistance was aimed at increasing the capabilities of governments to comprehensively plan for the suburbanization process that was creating disorderly metropolitan sprawl.

Graham gives us a clearer understanding of the real issues about national planning. For many Americans national planning is something we played with during the Great Depression, something we did in order to mobilize for war; or something undertaken by socialist or Communist countries that lack a market system to allocate resources. This understanding is not false; but it is inadequate. It is too narrow; it diverts us from the real issues; it leads to a myopia that prevents us from seeing that the perennial problem of the Federal Government in our pluralistic, democratic society is how to make coherent, rational domestic policy. Graham's history depicts for us the way this perennial problem has presented itself to each administration since Roosevelt and the way each administration responded.

He shows us that an active Presidency needs to plan—to set explicit goals, to forecast, to coordinate effort, and to monitor results of effort—whether it considers itself liberal or conservative. He shows us that both liberal and conservative Presidents have understood this need and have tried to create a planning capacity, whether they called it planning or something else. President Roosevelt took the first major steps toward planning and began the evolution that was given a second push by the Nixon administration's first term.

I know of no other author that has so vividly shown that national planning should not be a partisan issue. Anyone who has worked on policy in the Federal Government in whatever capacity knows that this country needs a government that is willing and able—and in this context I stress the word able—to set explicit goals, to forecast, to coordinate effort, to control the bureaucracy, and to monitor results of efforts. Ideology, philosophical beliefs, temperament—these will all guide in what we seek to accomplish;

but without institutional capabilities to systematically deal with the needs of our complex society, it may founder. Otis Graham shows us the extent to which this kind of foundering and frustration have occurred, and he makes his case that there are structural deficiencies which must be overcome.

I am delighted that Toward a Planned Society appears at this time. It comes at a moment when national debate on the need and means for planning is again part of the visible public agenda. It comes at a time when there is widespread concern in Congress and among all thoughtful Americans, no matter what their ideological bent, about making some kind of coherent sense out of disconnected, overlapping, and often conflicting Federal policies and programs. Some call for retrenchment, imagining that things will get better simply by turning the Federal back on the problems of our increasingly complex national society. But national problems do not go away. National society does not become less complex. The Federal Government continues to need to come to grips with structural deficiencies that prevent it from planning coherent national domestic policy. Otis Graham, respected historian of progressive efforts in American society and Government during the 20th century, does an effective job of showing us where we stand today.

THE DROUGHT

Mr. DOLE. Mr. President, the Wall Street Journal carried a front-page article on February 27, 1976, describing drought conditions in the Great Plains and California. My State of Kansas has been especially hard hit. Prospects for the 1976 wheat crop are poor throughout much of the western half of Kansas.

This article reinforces the need to maintain an open export market for wheat and other agricultural commodities. Many farmers will have only a fraction of their normal production to sell this year. It, therefore, is doubly important that they receive the highest possible price for the reduced amount of grain they do sell.

Mr. President, this article deserves the widest possible distribution.

I ask unanimous consent that it be printed in the RECORD.

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

DROUGHT IS WITHERING WINTER WHEAT CROP, BUT NOT OPTIMISM

(By Robert L. Simison)

MEADE, KANS.—Farmers hereabouts recall vividly what it was like just a few weeks ago: Howling, 60-mile-an-hour winds blackened the sky with dust rising to 11,000 feet. Highways closed down as vehicles collided in impenetrable darkness. Spongy heaps of black topsoil drifted beside barbed-wire fences and filled roadside ditches.

It was a scene recalling the dust bowl of the '30s.

Although from time to time in the intervening weeks the dust has been matted down by some rain and snow, the drought that has parched much of the nation's Southwest and West lingers on. Its effects may linger on for years.

The drought has significantly, and perhaps severely, reduced the winter wheat crop. It is forcing premature slaughter of cattle, a move that threatens, in future years, to diminish meat supplies and raise prices for consumers. In California, it has hurt the fruit and nut crops, the dairy business and a variety of grain harvests. It is beginning to discourage farmers' purchases of agricultural equipment and supplies and, in fact, of a wide range of goods. And if it inflicts the heaviest damage currently foreseeable, the drought could crimp American grain sales abroad, which are crucial to U.S. foreign trade and to food supplies worldwide.

Yet despite the damage, actual and potential, many experts are surprisingly optimistic.

REASONS FOR OPTIMISM

"With favorable weather conditions from this time on, the (winter wheat) crop could be salvaged," Don Paarlberg, the Agriculture Department's chief economist, says. Besides hoping for more rain, many observers take comfort in an expected increase in carryover wheat stocks from the crop year ending June 30. They note that so far grain prices have been affected only moderately. And they doubt that retail food prices will be increased much, if at all, and only then after a considerable lag.

For months the weather has been disastrously unfavorable. In the Meade area, for instance, rainfall since last August has totaled only 2¾ inches, against five normally. Of the total, 2¼ inches came in November, too late to give the wheat a timely start and too concentrated to do long-term good. The little precipitation that followed caused further damage. A brief thunderstorm recently stirred up a cloud of dust before it and then broke down clods holding the ground in place; thus, the soil was left even more vulnerable to wind. And a violent snowstorm last weekend left the fields bare, with the snow in ditches and covered by dust.

"I've already lost about half my 340 acres of wheat, and it looks like I'll have to destroy some more" to keep the soil from blowing away, laments Henry M. Reimer, who farms 720 acres near here. Like many local farmers, Mr. Reimer has ripped through his winter wheat fields with a tractor-drawn implement called a chisel, which raises a series of ridges to curb wind erosion of topsoil.

HARDEST-HIT AREAS

His plight is common, and much of the nation's winter wheat crop already has been lost. Hardest-hit areas have been Kansas, Oklahoma, western Texas and parts of New Mexico, Colorado and California. In Kansas, the largest wheat-producer, growers estimate their harvest will drop as much as 100 million bushels from last year's 351 million. Texas will produce only 50 million bushels, down from last year's disappointing 132 million John C. White, commissioner of agriculture, predicts. Oklahoma and Colorado expect declines of at least 30%.

In all, the winter wheat crop could drop as much as 300 million bushels, or 18%, from 1975's 1.65 billion, according to the National Association of Wheat Growers. (Winter wheat accounted for three-quarters of the record 1975 total crop of 2.13 billion bushels.) The Agriculture Department's latest forecast, based on December conditions, predicted winter wheat production at 1.5 billion bushels, a 9% drop.

"If dry conditions continue to plague the Great Plains, yields may decline even further, causing (total wheat) production to fall below two billion," the department said.

The poor condition of the wheat is hurting cattlemen, whose herds normally graze on the lush tops of winter wheat plants during the midwinter dormant period that precedes the development of grainheads in the spring. Wheat that, as one farmer puts it, "ought to be long enough to hide a rabbit" shows only a few scraggly blades. Kneeling in a dusty field near Fowler, Kans., Robert Sobba digs up an underdeveloped wheat plant and displays roots only an inch or so long and a skinny stem that barely breaks the surface. In Kansas, only 14% of the wheat was good enough for grazing in December, compared with 34% a year earlier.

FINANCIAL IMPACT ON CATTLEMEN

Consequently, many cattleman are either sending animals to feedlots earlier than normal or simply selling them at a loss. For example, Anthony Fields of Hayward, Calif., facing a shortage of feed and water, recently sold off some bulls weighing 1,100 to 1,200 pounds each at 26 cents to 29 cents a pound. He trimmed his herd although he figures that with an additional two months of good grazing, he could have sold the bulls at 1,400 to 1,600 pounds each at 30 cents to 32 cents a pound. The difference; more than $100 a head.

Such drought-induced maneuvers already have cost California cattlemen $265.8 million, the state agriculture department estimates.

Other ranchers simply didn't put yearling calves on pasture last fall. Here in Meade, Daniel Loewen, who usually grazes 100 to 150 head of cattle on his wheat fields, didn't buy any livestock because of the drought. In Texas, the number of cattle on grain pasture at Jan. 1 was 1.1 million, down sharply from 1.7 million a year earlier.

"If the droughts continue, we will see a higher cow slaughter and earlier movements of range cattle to feedlots than normal," says John Welch, an economist for the American National Cattlemen's Association. He adds that although a higher level of cattle slaughter may reduce meat prices for the next six months or a year, excessive liquidation of cattle could cause tighter supplies and higher prices for as long as three years while herds are rebuilt.

In California, the drought damage has spread beyond the wheat and cattle industries to various other agricultural lines. An official report reflecting conditions through the end of January put fruit and nut crop losses at $22.7 million, barley losses at $10.7 million and oat losses at $4.3 million. Dairymen are bewailing the soaring cost of feed; alfalfa hay, for example, rose to as much as $100 a ton from as low as $65 a ton in December. Despite scattered, and sometimes heavy, rains during the past several weeks, drought conditions persist, and about 22 of the state's 58 counties are seeking federal assistance. Moreover, a light snowfall in the Sierra presages a light runoff this summer.

But California's important vegetable crop hasn't been seriously affected; most vegetables won't be planted for another month or so, and most currently in season are irrigated crops.

CUTTING BACK SPENDING

Apart from farmers and cattlemen themselves, the people most affected by drought in agricultural areas are the people who sell goods to them. The market involved is huge. Many farmers already have decided to postpone major purchases, even though some hope to recoup their drought losses by planting new grain crops in the spring.

"We aren't going to starve, but there are things you just won't buy," says Harold Rickers of Meade, who expects to lose most of his 1,000 acres of wheat. "I need a new pickup-truck, but I sure won't get it this year." And Vernon McColm of Bucklin, Kansas., says he will postpone buying a new tractor, which would cost at least $20,000. "A man doesn't stick his neck out in a year like this," he says.

So it isn't surprising that Meade-area farm-implement dealers have noticed a lull in sales. "It's been doggone slow since the end of November. We haven't been able to

sell much of anything," says Richard Brady, manager of Brady Implement Co. in Dodge City, a regional trade center. If the slump in farm-implement sales continues, it could be important for the entire economy; the business was one of the strongest sectors throughout the recession.

And even general merchants in Meade have noticed that "the farmers have pulled in their tails now that they don't expect a wheat crop," Dale Lathrop of Lathrop-Suppes furniture store in Meade says; he adds that since the first of the year the store's sales have lagged 10% behind year-earlier levels. Auto retailers present a mixed picture, however; Wolfe's Motor Co., the Ford-Mercury dealer here, notes a business slowdown, but the Ford and Chevrolet dealers in Liberal, Kans., report sharp gains in sales.

In view of the drought's rippling economic impact, surprisingly calm views are expressed by close observers of agricultural problems.

"I don't think the precarious wheat situation will have a very great impact on food prices," the Agricultural Department's Mr. Paarlberg says. "We're not yet predicting any impact on the consumer price index." And Paul McAvoy, a member of the Council of Economic Advisers, says, "I doubt whether there will be any effect" on food prices.

Such optimism is based on three factors: the fact that the winter wheat crop isn't completely lost yet, the farmers' announced intentions to plant record acreage to spring wheat, and the expectation that June 30 carryover stocks will be large enough to offset much of the impact of the reduced crop. Although the official forecast of a wheat supply in the year beginning June 1, about matching the current crop year's 2.46 billion bushels represents something of a disappointment—a gain had been hoped for earlier—officials view it as far from a disaster. And stocks could be higher because of recent softness in the export market.

Only if just about everything goes wrong, in fact, do officials foresee a significant impact on food prices. In such a case, crop prices would be higher in the fall, grain-product prices would be affected late this year and early in 1977, and meat prices would rise in the second half of next year.

But officials view that chain of events as unlikely, and apparently so does the grain trade. On the Kansas City Board of Trade, for example, drought news has bolstered wheat prices, but there clearly isn't any panic. July futures contracts—for the first wheat from the new winter crop—rose only 26 cents a bushel to $4.05 in the first two weeks of this month. Since then, the market has fluctuated and remained slightly over $4 a bushel. Experts indicates a far bigger rise than that would be needed to raise the price of bread.

Similarly, for the drought to crimp grain sales abroad there "would have to be a fairly sizable production decline," says Donald Novotny, the Agriculture Department's director of foreign grain analysis.

Perhaps more worrisome than the drought's short-term impact are some of its long-term implications. Damage from wind erosion, for example, can take a long time to heal. Although crop rotation leaves only about half the Southwest's wheat acreage unprotected by stubble at any one time, the winds strip valuable topsoil from uncovered fields and deposit it on the stubble of nearby fields—and both are damaged for years. The stubble fields suffer because the wind-blown dirt is so fine and packs so tightly that the soil doesn't absorb water adequately again until it has been worked several times. Of the 858 farm units here in Meade County, 525 have applied for federal disaster payments as a result of wind erosion.

And while long-term weather forecasting is notoriously uncertain, some scientists contend that the drought will continue this year and for several more years.

"Climatology for the last 200 years indicates a bad period is coming," warns Stephen Schneider of the National Center for Atmospheric Research in Boulder, Colo. Severe droughts have occurred in the plains every 20 to 22 years for the past 200 years, scientists say; in this century, they started in 1901, 1934, and 1954, and they seem to correspond with years of low sunspot activity—such as the current period.

The possibility of an extended drought worries Mr. Schneider and others who study figures on world food supplies. World-wide wheat stocks have been declining for two years; at the end of the current crop year, world stocks are expected to total 48.4 million metric tons (a metric ton is equal to 1.1 U.S. tons), down from 54.5 million a year earlier, the Agriculture Department says. Mr. Schneider says a crop disaster that reduces the world supply as little as 1% could cause shortages and starvation.

OUR ALLIED HEALTH PROFESSIONS PROTECT OUR HEALTH

Mr. SPARKMAN. Mr. President, the Allied Health Professions Personnel Training Act was landmark legislation. It recognized the important role that allied health personnel had and would continue to have in the delivery of health services to the American public. The enactment of this important law enabled the Federal Government to stimulate the growth of training opportunities in this vital area.

Our needs for more allied health personnel have not let up; they have only become more sophisticated. It is true that from 1960 to 1970 the number going into this profession increased 75 percent to 2.7 million, but recent trends in health services delivery are resulting in further demands for allied health personnel. The emerging emphasis on prevention and early detection programs require a great many more trained individuals specializing in health education, dental hygiene, health outreach programs, vision screening technicians, laboratory sciences, and other allied health professions.

With our increasing worries about environmental pollution, there exists a crucial need for environmental technicians and technologists trained to detect environmental threats before they can cause physical or mental illness. Likewise, with an increasing emphasis on ambulatory care, more staff will need to be trained in this specialty, to enable them to function relatively independently to treat and care for patients in the home.

Finally, our doctors are relegating more duties to paramedical personnel—we desperately need more qualified assistance to free physicians for crucial medical tasks.

Our needs in the area of allied health professions are documented. A recent Department of Health, Education, and Welfare report indicates that the number of instructors for clinical education of allied health personnel is in extremely short supply and that physical facilities devoted to clinical education are unable to keep pace with the rapid increase in enrollments. Moreover, HEW noted that there is an almost 12-percent vacancy rate in occupational therapy, an 8-percent vacancy rate in physical therapy and an almost 7-percent vacancy rate in cytotechnology.

In fiscal 1975, almost $28 million was obligated to allied health areas. The wording of the continuing resolution which allowed funding was "* * * shall spend not less than * * *". In fiscal 1976, the wording of the continuing resolution was changed and no money was requested or provided for by the budget. In the fiscal year 1977 budget, the administration has requested $8 million. Eight million dollars to encompass all these needs and remedy all these shortages. Last summer we enacted S. 66, the Nurse Training Act of 1975, over a Presidential veto. We may have to work just as hard this session to aid our allied health professions. I feel we certainly need more to provide for our crucial needs. By not supporting this critical field, we are limiting our productivity in health areas and diminishing the quality of care that our health care systems can provide. I urge my colleagues to devote their attention to the important fields of our allied health professions—they need our support, and our citizens need the protection this profession can afford.

THE CAPTIVE NATIONS

Mr. HRUSKA. Mr. President, recently my distinguished colleague and good friend Senator CURTIS submitted Senate Resolution 319 whose purpose is to reaffirm support for the independence of the Baltic nations from Soviet domination.

It is extremely important that the people of Eastern Europe understand that it is the belief of the Congress of the United States that by signing the Final Act of the Conference on Security and Cooperation in Europe the United States did not change its long-standing position regarding the illegal and oppressive annexation of Estonia, Latvia, and Lithuania.

As my ancestry has its roots in Czechoslovakia, another nation which bears the mark of Soviet oppression, I am particularly sensitive to the desire of the oppressed people within the Soviet Empire to be free.

The future of these captive nations rests in the hope that the West, and in particular America, will continue to support their right to be free.

For their sake, as well as our own, we must not break faith with them.

Mr. President, I am pleased to be on record as a cosponsor of this Senate resolution.

AGRICULTURE AND REMOTE SENSING TECHNOLOGY

Mr. HUMPHREY. Mr. President, I call the attention of my colleagues to an article entitled "Study of Global Climate Urged as Priority in Report to NASA," which appeared in the Washington Post on February 22, 1976.

A NASA study group, set up to suggest

priorities for the United States in space exploration, recommended that more emphasis be given to developing space technologies for global climate prediction. Their report states:

Much of the present world population depends on a complex, interdependent system by which food and fibre are efficiently grown where climate is favorable. The critical point is that the entire system is predicated on a constant climate; and changes in climate which may occur in a few decades could impair the functioning of the system.

Our food supply is extremely vulnerable to variances in climate; and the more we know about the likelihood of these changes, the more adequately we can plan and lessen their impact. The NASA study group—

Estimated that even a 1-degree cooling of the earth's annual temperature would mean the loss of $1 billion in wheat and rice production, a $1.4 billion loss in the fish catch, and a $2.2 billion loss in timber and fibre output around the globe.

Obviously, such a change in climate would have a catastrophic effect around the world. This possibility underscores the need to better utilize and further develop remote sensing technology. When used with conventionally gathered information, remotely sensed data adds an otherwise unobtainable perspective.

By using this satellite technology, we hope to be able to provide a more accurate inventory of the availability of resources and the status of crops.

I recently chaired hearings for the Office of Technology Assessment on this subject. The land satellite project—LANDSAT—an experiment using remote sensing satellites to gather global information on the environment and natural resources—and the large area crop inventory experiment—LACIE—a USDA project using this technology to monitor the status of the U.S. wheat crop were discussed.

Many of the technical problems which limit the usefulness of the current remote sensing satellites—such as the inability to penetrate cloud coverage, the need for a higher resolution, measurement of Earth surface temperatures, and improved sensors—will be solved in LANDSAT-C, which is scheduled to be launched in September 1977.

Other problems currently inhibiting the further use of LANDSAT data include the length of time needed before the final data is available and the lack of coordination between the various user groups.

A study released by the General Accounting Office on January 30, 1976, entitled "Land Satellite Project," reached many of the same conclusions as we did in the hearings.

The study identifies a number of important points which I would like to elaborate on. First, there has been much discussion of LANDSAT in terms of cost/benefit studies. A Department of the Interior study released in November 1974 estimated that the costs and benefits of an operational system for use from 1977–66 would vary from a ratio of 1.9:1 to 0.4:1. GAO notes two problems with this analysis: First, it did not include any planned or already existing improvements in the operational LANDSAT, and second, it was based on an extrapolation of the initial results of the first LANDSAT. GAO states:

These investigators attempted to prove the technical capability of LANDSAT data, not its cost effectiveness.

A cost/benefit analysis done by NASA and released in October 1974 found the ratio for an operational system for 16½ years would be 12 to 1. This study assumed that—

As much as 74 percent of the total benefits to be derived from an operational LANDSAT system will come for improved agricultural forecasting.

GAO concludes that future cost/benefit analyses would be more realistic if based on the current system and if the assumptions made by the analysts are made clear to decisionmakers.

A second issue that the GAO study discusses is the international implications of collecting global data with remote sensing technology. The Soviet Union, the European Space Agency, Japan, and Canada are progressing in their plans to launch similar satellites. While the United States has a position of open dissemination of LANDSAT data, there have been motions by others in the United Nations to stop remote sensing or limit distribution of this data. Some understanding will have to be reached on this soon.

Many other countries would like to utilize the data collected by LANDSAT on a timely basis but do not want to make the costly investment in the necessary equipment until LANDSAT becomes an operational and continuous program.

One of the major problems identified in the OTA hearings and the GAO report results from the limitation of LANDSAT's being experimental and the lack of any high-level commitment to making it an operational program. GAO notes:

One of the primary objectives of the LANDSAT project . . . is to gain sufficient knowledge and experience to decide whether there should be an operational earth resources satellite system. This remains the objective of the project, and it seems certain that a decision to go operational would provide the user community with the assurance it needs. A comprehensive long-range plan which includes user requirements has not been developed, however, for deciding whether LANDSAT should become an operational system. Consequently, it is not clear what must be achieved and when it must be achieved before a decision can be made.

A plan identifying the goals and status of this project should be developed as soon as possible so that we can judge what progress has been made and how valuable it is. GAO sugests that NASA take the lead in doing this. In addition, the report states:

We recognize that such a plan must postulate a Federal Government policy role in satellite-based remote sensing technology. Accordingly, the plan could address (1) the assignments of roles and responsibilities to the involved agencies, (2) interrelationships among oceanographic, meteorological and earth resources satellite systems, (3) alternative organizational arrangements for operational systems reflecting differing degrees of Government, private sector, and international participation, and (4) estimated resource and funds requirements to be filled by the Federal Government.

I would recommend that anyone interested in this subject read the entire GAO report.

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

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

STUDY OF GLOBAL CLIMATE URGED AS PRIORITY IN REPORT TO NASA

(By Thomas O'Toole)

The nation should reorder its priorities in space to emphasize the study of the earth's climate to enable scientists to predict global climatic change reliably by the turn of the century.

This was the clear recommendation of a study group formed by the National Aeronautics and Space Administration a year ago to assess where the United States stands in space exploration and where it ought to go.

"Much of the present world population depends on a complex, interdependent system by which food and fibre are efficiently grown where climate is favorable," the study group said in a three-volume report obtained by The Washington Post over the weekend.

"The critical point is that the entire system is predicated on a constant climate; and changes in climate which may occur in a few decades could impair the functioning of the system," it said.

Nowhere in the study did the group call for manned exploration of Mars, which had been the main recommendation of a forerunner study organization seven years ago chaired by then Vice President Agnew.

This time, the recommendation on manned space flight was that the space agency proceed with orderly development of the reusable shuttle and move from there to a permanent manned orbiting space station. One reason to move ahead with space station plan is that the observations of people in orbit would be an important tool in studying global climate.

The study group strongly suggested that a better understanding of climate would help to solve two of the earth's most pressing problems, a shortage of food and the possibility that the atmosphere might be sufficiently changed by pollutants to induce a worldwide change in the weather. Experts have warned that pollution could cause global temperature to drop.

The NASA report estimated that even a 1-degree cooling of the earth's annual temperature would mean the loss of $1 billion in wheat and rice production, a $1.4 billion loss in the fish catch and a $2.2 billion loss in timber and fibre output around the globe.

A 1-degree drop would also trigger a $700 million increase in annual electrical energy demand and a $2.4 billion rise in health costs, excluding the cost of treating a rise in skin cancers that could come from alterations in the earth's atmosphere, according to the study.

The study group recommended development and production of six satellites to identify and assess crop conditions all over the world. Some other satellites would study chemical atmospheric changes, and others would watch the sun for changes that might affect the earth's weather.

Also recommended was a network of four to six large satellites in stationary positions above the earth to observe and assess worldwide ice and ocean conditions, important but unknown determinants of global weather cycles. Three to four satellites should be orbited to measure the earth's radiation balance, which would tell scientists whether

any parts of the globe are warming up or cooling down, the study said.

The study group put the total cost of a satellite program at $1.7 billion. It said the entire network could be operated over the next 20 years for $4.6 billion.

While not calling for manned exploration of Mars, the study group said the space agency should undertake a vigorous exploration of the planets with machines.

It called for a planetary program that by the end of the century would send instrumented spacecraft to every planet in the solar system except Pluto, which is too far away to explore with existing technology. It suggested flights in which spacecraft rendezvous with an asteroid and with a comet, preferably in the 1990s.

Included are missions to Mars and Mercury, where spacecraft would land, dig up soil samples and return to earth. The study group also urged an instrumented landing on Venus and orbital flights around Jupiter, Saturn and some of their 21 moons.

The study group estimated the cost of this planetary program at $250 million a year for the next 10 years, peaking in the 1980s, when a Mars sample return mission would take place. It put the total planetary cost at $5.1 billion to the year 2000.

"Human needs are not only physical," the study group said in justifying its program of planetary exploration. "There is therefore a need for intellectual challenge for exploration and for the knowledge by which man can better understand the universe and his relation to it."

IT IS UP TO THE SENATE TO SAVE THE HATCH ACT

Mr. FONG. Mr. President, as the Senate prepares to take up H.R. 8617, a bill to scuttle the Hatch Act, we will be hearing more and more about what the Hatch Act does and does not do. In the process, the facts will probably become obscured by a lot of smokescreen. So when one finds light shed on the subject, cutting through the smokescreen, it is gratifying and encouraging.

In this vein, I am happy to note the Philadelphia Inquirer has just come forth with an editorial title "It's Up to the Senate To Save the Hatch Act."

The editorial clears the air showing how the Hatch Act is in jeopardy because H.R. 8617, if passed by the Senate, would strip away the Federal employees' protections from political exploitation. In the words of the editorial:

> The bill's proponents argue mightily that it is not really a repeal of the Hatch Act at all, but a sort of benevolent reform measure which would give affected civil servants the freedom to "express themselves" politically, while relying on new "protections" against political exploitation.
>
> Nonsense, H.R. 8617 would, purely and simply, make Federal civil servants direct political participants, for the first time in more than 35 years. And anyone who argues that once it is permissible for them to politic, money-raise and otherwise labor in the electioneering vineyards that somehow their bosses won't ask them to—well, anyone who argues that to you is blowing smoke up your leg.

If H.R. 8617 passes, the editorial forecasts:

> The end of the Hatch Act—and the beginning of a patronage system unimagined since Ulysses S. Grant's more power-lustful dreams.

I ask unanimous consent to have the Philadelphia Inquirer's lead editorial of February 22 be printed in the RECORD.

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

IT IS UP TO THE SENATE TO SAVE THE HATCH ACT

For more than 35 years, the main categories of federal government employes—now numbering almost 3 million—have been protected from political exploitation by a law known as the Hatch Act. The taxpayers of the U.S. have been, coincidentally, spared the burdens of the sort of patronage abuses which the Hatch Act has prevented. All that is in peril.

The Hatch Act is no simple measure; it wasn't when it was drafted and fought through legislative thickets by reform. Sen. Carl Hatch in 1940; it is less so today, having been compounded and elaborated by some 3,000 regulations and administrative rulings.

But the heart of the law is uncomplicated, and it is strong. It prohibits federal civil servants from managing or running in partisan political campaigns. It thus, more importantly, prevents those civil servants' bosses from requiring such behavior as an implicit condition of employment, promotion or other favors or conveniences.

Since its inception, the Hatch Act and its principle have been attacked vigorously. The strongest current force arrayed against it is the labor movement—which long has argued that the Hatch Act interferes with federal employes' freedom of speech and association.

Led on by that spurious cry—and by the inviting prospect of instant recruitment of 3 million political patronage workers—the House of Representatives last October passed a bill, H.R. 8617, which would end the Hatch Act protections.

The bill's proponents argue mightily that it is not really a repeal of the Hatch Act at all, but a sort of benevolent reform measure which would give affected civil servants the freedom to "express themselves" politically, while relying on new "prohibitions" against political exploitation.

Nonsense. H.R. 8617 would, purely and simply, make federal civil servants direct political participants, for the first time in more than 35 years. And anyone who argues that once it is permissible for them to politic, money-raise and otherwise labor in the electioneering vineyards that somehow their bosses won't ask them to—well, anyone who argues that to you is blowing smoke up your leg.

To its discredit the Senate Post Office and Civil Service Committee has sent to the Senate floor a bill virtually identical to H.R. 8617. If it passes, and there is great pressure being brought for just that, it would be the end of the Hatch Act—and the beginning of a patronage system unimagined since Ulysses S. Grant's more power-lustful dreams.

CITIZENS BAND RADIO

Mr. EAGLETON. Mr. President, a new phenomenon, citizens band radio, is sweeping the country and the Government has been caught by surprise. All the ramifications of the sudden explosion in the use of CB's, as they are called, are not yet known. But it is clear from those effects that are now apparent that the Government should act to adjust its current policies and also should begin to study the phenomenon so as to avoid future problems.

CB's are wireless two-way communication radios. The majority are attached to automobiles, although many units are located in homes and offices. Some are used in boats and airplanes. The most expensive CB's have access to all the 23 frequencies or channels that are available. Less expensive models pick up fewer channels. Car-to-car communications, which account for the majority of the calls, have a range of approximately 5 miles. Stronger radios with larger antennas, which are usually in the home or office, have a range of approximately 15 miles.

At present it is estimated that one in every 28 American families possesses a CB, with between 2 and 3 million being turned out annually by manufacturers—most families own more than one set. The Chrysler Corp. has announced that CB's will be available as optional accessories on its later 1976 models, and other automakers are expected to follow suit. Chrysler believes that CB's may soon be as common as AM car radios.

Clearly, CB's are with us to stay—and in ever-growing numbers. The sudden CB boom has caused a major problem for the Federal Communications Commission, which must license owners. One year ago citizens band radio license applications were running 70,000 a month. Last month alone, more than 500,000 applications were received by the FCC.

The resulting logjam is now causing a frustrating 3-to-4 month wait for the majority of license applicants. At current application rates some 4 percent of our adult population will experience this unnecessary bureaucratic delay during 1976 alone.

For that small percentage whose applications are inevitably mishandled, the waiting period can be 6 months to a year. People calling the citizens band license section of the FCC, because of extraordinary problems find the line busy. According to the telephone company, only 20 percent of the callers are getting through.

The extraordinary proliferation of citizen band radios has caused problems other than the license backlog. Over the last year the Federal Communications Commission has received more than 60,000 complaints of citizens band radios interfering with other electronic equipment such as televisions, radios, and stereos.

Many of the problems are due to the lack of proper filtering mechanisms on the electronic equipment that is experiencing the interference. Some CB operators illegally attach linear amplifiers in an effort to extend the broadcast range of their radio. Their broadcasts block out and replace the sound on televisions, radios, church organs, and ambulance services, and could potentially affect air traffic controllers' communications with airplanes.

Why the sudden CB boom? No one knows for sure. CB's are certainly useful in the event of a breakdown or accident on the highway, when they can be a lifesaving communications channel. During normal driving, a CB unit can provide an update on local traffic conditions, directions to unfamiliar locations, guidance on restaurants and lodgings, or just companionship for a lone driver at night.

Technological changes can have a

great impact on social relationships. Some changes are immediate and obvious, such as the development of the telephone or the automobile and the resulting reduction of rural isolation. Some are less immediate and obvious, such as the growth of air conditioning and the resulting elimination of the front porch and the decline in neighborly conversation.

The growth of CB radios appears in this stage of its development to be having a beneficial effect on America's sociability and neighborliness. Innumerable examples of good samaritanism related to CB radios exist in nearly every community in the country.

The impact of CB's upon what the sociologists call alienation and anomie will take many years of experience and study to determine. But it seems apparent that the neighborliness aspect of CB's is in large measure responsible for their widespread use.

CB's came to national attention during the truckers' strike several years ago and again when the 55-mile-an-hour speed limit was first imposed and truckers began notifying each other on their CB's about speed traps.

Some charge that the growth of CB's will eliminate the value of radar speed enforcement on the highways. Col. S. S. Smith, head of the Missouri highway patrol, and many other law enforcement officers argue that, to the contrary, the net result of the growth of CB radios is a great benefit to law enforcement.

Five months ago Colonel Smith placed CB radios in all 700 of his patrol cars. One channel was reserved for any CB operator wanting to contact the highway patrol or vice versa.

Already, Colonel Smith reports, as a result of CB operators notifying highway patrol cruisers, 671 drunk drivers have been arrested, 61 people driving in the wrong direction on a dual highway have been stopped, and a whopping 20 percent of all auto accidents handled by the highway patrol in that period have been reported by CB operators. Response time to accidents reported by CB's has been cut by 40 percent.

There are many undecided issues surrounding the citizens band radio phenomenon. Should the present 23 frequencies alloted to citizens band be substantially increased in light of the proliferation? Should the regulations controlling CB's be rewritten for more adequate policing and more lenient treatment of first offenders? Can anything be done to discourage the high CB theft rate? Should television, radio, and stereo manufacturers be required to install filtering equipment so that normally powered CB's will not interfere with their use?

Should licensing of CB radios be tightened or eliminated altogether? Or should the licensing procedure be simplified so that licenses can be given to the operator at the store where the CB is purchased and a copy of the purchaser's name and call numbers filed with the FCC?

Clearly, one thing we should do, and quickly, is deal with the license application backup at the FCC.

As a member of the Senate Appropriations Subcommittee on State, Justice, Commerce, and the Judiciary, I will, therefore, introduce an amendment to the second supplemental appropriations bill to provide the FCC with stopgap funding sufficient to bring the license application process down to 20 or 30 days. According to the FCC, an additional $335,000 to cover the remainder of fiscal year 1976 and the transition quarter will accomplish this purpose.

So that the Government can respond immediately to the CB crisis, and not have to wait until the second supplemental passes both Houses of Congress, the FCC has indicated that it will participate in a unique procedure of intergovernmental cooperation. If a sufficient number of my colleagues on the Senate Appropriations Committee sign a letter of intent that I am sending to the Federal Communications Commission, the FCC will immediately reprogram funds from other areas into the CB license program.

I am also sending a letter to the FCC Chairman asking him to relax temporarily the enforcement arm of the citizens band operation until the license application response time is brought under control. Citizens should not be penalized, because of the shortcomings of their Government.

But I also believe that Congress should begin to address the larger questions raised by the CB phenomenon. To that end I have written a letter to the chairman of the Senate Subcommittee on Communications of the Senate Commerce Committee, Senator PASTORE, asking that he consider hearings on this subject. I believe it is something that we in this body should begin to learn a great deal more about.

SENATE GOVERNMENT OPERATIONS COMMITTEE RULES

Mr. PERCY. Mr. President, pursuant to section 133B of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 190a–2), I submit the rules of procedure adopted by the Committee on Government Operations and ask unanimous consent that they be printed in the RECORD.

There being no objection, the rules were ordered to be printed in the RECORD, as follows:

RULES OF PROCEDURE ADOPTED BY THE COMMITTEE ON GOVERNMENT OPERATIONS, PURSUANT TO SECTION 133B OF THE LEGISLATIVE REORGANIZATION ACT OF 1946, AS AMENDED

RULE 1. MEETINGS AND MEETING PROCEDURES OTHER THAN HEARINGS

A. *Meeting dates.* The committee shall hold its regular meetings on the first Thursday of each month, when the Congress is in session, or at such other times as the chairman shall determine. Additional meetings may be called by the chairman as he deems necessary to expedite committee business. (Sec. 133(a), Legislative Reorganization Act of 1946, as amended.)

B. *Calling special committee meetings.* If at least three members of the committee desire the chairman to call a special meeting, they may file in the offices of the committee a written request therefor, addressed to the chairman. Immediately thereafter, the clerk of the committee shall notify the chairman of such request. If, within three calendar days after the filing of such request, the chairman fails to call the requested special meeting, which is to be held within seven calendar days after the filing of such request, a majority of the committee members may file in the offices of the committee their written notice that a special committee meeting will be held, specifying the date and hour thereof, and the committee shall meet on that date and hour. Immediately upon the filing of such notice, the committee clerk shall notify all committee members that such special meeting will be held and inform them of its date and hour. If the chairman is not present at any regular, additional or special meeting, the ranking majority member present shall preside (Sec. 133(a), Legislative Reorganization Act of 1946, as amended.)

C. *Meeting notices and agenda.* Written notices of committee meetings, accompanied by an agenda enumerating the items of business to be considered, shall be sent to all committee members at least three days in advance of such meetings. In the event that unforeseen requirements of committee business prevent a three-day notice, the committee staff shall communicate such notice by telephone to members or appropriate staff assistants in their offices, and an agenda will be furnished prior to the meeting.

D. *Open business meetings.* Meetings for the transaction of committee or subcommittee business shall be conducted in open session, except that a meeting or portions of a meeting may be held in executive session when the committee members present, by majority vote, so determine. The motion to close a meeting, either in whole or in part, may be considered and determined at a meeting next preceding such meeting. Whenever a meeting for the transaction of committee or subcommittee business is closed to the public, the chairman of the committee or the subcommittee shall offer a public explanation of the reasons the meeting is closed to the public. This paragraph shall not apply to the Permanent Subcommittee on Investigations.

E. *Prior notice of first degree amendments.* It shall not be in order for the committee, or a subcommittee thereof, to consider any amendment in the first degree proposed to any measure under consideration by the committee or subcommittee unless a written copy of such amendment has been delivered to each member of the committee or subcommittee, as the case may be, and to the office of the committee or subcommittee, at least 24 hours before the meeting of the committee or subcommittee at which the amendment is to be proposed. This subsection may be waived by a majority of the members present. This subsection shall apply only when at least 72 hours' written notice of a session to mark-up a measure is provided to the committee.

F. *Agency comments.* When the committee has scheduled and publicly announced a mark-up meeting on pending legislation, if executive branch agencies, whose comments thereon have been requested, have not responded by the time of the announcement of such meeting, the announcement shall include the final date upon which the comments of such agencies, or any other agencies, will be accepted by the committee.

RULE 2. QUORUMS

A. *Reporting legislation.* Eight members of the committee shall constitute a quorum for reporting legislative measures or recommendations. (Sec. 133(d), Legislative Reorganization Act of 1946, as amended.)

B. *Transaction of routine business.* Five members of the committee shall constitute a quorum for the transaction of routine business, provided that one member of the minority is present.

For the purpose of this paragraph, the

term "routine business" includes the convening of a committee meeting and the consideration of legislation pending before the committee and any amendments thereto, and voting on such amendments. (Rule XXV, Sec. 5(a), Standing Rules of the Senate.)

C. *Taking sworn testimony.* Two members of the committee shall constitute a quorum for taking sworn testimony: *Provided, however,* That one member of the committee shall constitute a quorum for such purposes, with the approval of the chairman and the ranking minority member of the committee, or their designees. (Rule XXV, Sec. 5(b), Standing Rules of the Senate.)

D. *Taking unsworn testimony.* One member of the committee shall constitute a quorum for taking unsworn testimony. (Sec. 133(d)(2), Legislative Reorganization Act of 1946, as amended.)

E. *Subcommittee quorums.* Subject to the provisions of section 5(a) and 5(b) of Rule XXV of the Standing Rules of the Senate, and section 133(d) of the Legislative Reorganization Act as amended, the subcommittees of this committee are authorized to establish their own quorums for the transaction of business and the taking of sworn testimony.

F. *Proxies prohibited in establishment of a quorum.* Proxies shall not be considered for the establishment of a quorum.

RULE 3. VOTING

A. *Quorum required.* No vote may be taken by the committee, or any subcommittee thereof, on any measure or matter unless a quorum, as prescribed in the preceding section, is actually present.

B. *Reporting legislation.* No measure or recommendation shall be reported from the committee unless a majority of the committee members are actually present, and the vote of the committee to report a measure or matter shall require the concurrence of a majority of those members who are actually present at the time the vote is taken. (Sec. 133(d), Legislative Reorganization Act of 1946, as amended.)

C. *Proxy voting.* Proxy voting shall be allowed on all measures and matters before the committee, or any subcommittees thereof, except that, when the committee, or any subcommittee thereof, is voting to report a measure or recommendation, proxy votes shall be allowed solely for the purposes of recording a member's position on the pending question and then, only if the absent committee member has been informed of the matter on which he is being recorded and has affirmatively requested that he be so recorded. All proxies shall be addressed to the chairman of the committee and filed with the chief clerk thereof, or to the chairman of the subcommittee and filed with the clerk thereof, as the case may be. All proxies shall be in writing and shall contain sufficient reference to the pending matter as is necessary to identify it and to inform the committee as to how the member wishes his vote to be recorded thereon. (See 133(d), Legislative Reorganization Act of 1946, as amended.)

D. *Announcement of vote.* (1) Whenever the committee by rollcall vote reports any measure or matter, the report of the committee upon such measure or matter shall include a tabulation of the votes cast in favor of and the votes cast in opposition to such measure or matter by each member of the committee. (Sec. 133(d). Legislative Reorganization Act of 1946, as amended.)

(2) Whenever the committee by rollcall vote acts upon any measure or amendment thereto, other than reporting a measure or recommendation, the results thereof shall be announced in the committee report on that measure unless previously announced by the committee, and such announcement shall include a tabulation of the votes cast in favor of and the votes cast in opposition to each such measure and amendment thereto by each member of the committee who was present at that meeting. (Sec. 133(b), Legislative Reorganization Act of 1946 as amended.)

(3) In any case in which a rollcall vote is announced, the tabulation of votes shall state separately the proxy vote recorded in favor of and in opposition to that measure, amendment thereto, or recommendation. (Sec. 133(b) and (d) Legislative Reorganization Act of 1946, as amended.)

RULE 4. CHAIRMANSHIP OF MEETINGS AND HEARINGS

The chairman shall preside at all committee meetings and hearings except that he shall designate a temporary chairman to act in his place if he is unable to be present at a scheduled meeting or hearing. If the chairman (or his designee) is absent ten minutes after the scheduled time set for a meeting or hearing, the senior Senator present of the chairman's party shall act in his stead until the chairman's arrival. If there is no member of the chairman's party present, the senior Senator of the committee minority present shall open and conduct the meeting or hearing until such time as a member of the majority enters.

RULE 5. HEARINGS AND HEARING PROCEDURES

A. *Announcement of hearings.* The committee, or any subcommittee thereof, shall make public announcement of the date, place, time and subject matter of any hearing to be conducted on any measure or matter at least one week in advance of such hearing, unless the committee, or subcommittee, determines that there is good cause to begin such hearing at an earlier date. (Sec. 133A(a), Legislative Reorganization Act of 1946 as amended.)

B. *Open hearings.* Each hearing conducted by the committee, or any subcommittee thereof, shall be open to the public unless the committee, or subcommittee, determines that the testimony to be taken at that hearing may (1) relate to a matter of national security, (2) tend to reflect adversely on the character or reputation of the witness or any other individual, or (3) divulge matters deemed confidential under other provisions of law or Government regulations. (Sec. 133A (b), Legislative Reorganization Act of 1946, as amended.)

C. *Radio, television, and photography.* The committee, or any subcommittee thereof, may permit the proceedings of hearings which are open to the public to be photographed and broadcast by radio, television or both subject to such conditions as the committee, or subcommittee, may impose. (Sec. 133A(b), Legislative Reorganization Act of 1946, as amended.)

D. *Advance statements of witnesses.* A witness appearing before the committee, or any subcommittee thereof, shall file a written statement of his proposed testimony at least one day prior to his appearance, unless this requirement is waived by the chairman and the ranking minority member, following their determination that there is good cause for failure of compliance. (Sec. 133A(c), Legislative Reorganization Act of 1946, as amended.)

E. *Minority witnesses.* In any hearings conducted by the committee, or any subcommitee thereof, the minority members of the committee shall be entitled, upon request to the chairman by a majority of the minority to call witnesses of their selection during at least one day of such hearings. (Sec. 133A (e), Legislative Reorganization Act of 1946, as amended.)

RULE 6. COMMITTEE REPORTS

A. *Timely filing.* When the committee has ordered a measure or recommendation reported, following final action the report thereon shall be filed in the Senate at the earliest practicable time. (Sec. 133(c), Legislative Reorganization Act of 1946, as amended.)

B. *Supplemental, minority, and additional views.* A member of the committee who gives notice of his intention to file supplemental, minority, or additional views at the time of final committee approval of a measure or matter, shall be entitled to not less than three calendar days in which to file such views, in writing, with the chief clerk of the committee. Such views shall then be included in the committee report and printed in the same volume, as a part thereof, and their inclusion shall be noted on the cover of the report. In the absence of timely notice, the committee report may be filed and printed immediately without such views. (Sec. 133(e), Legislative Reorganization Act of 1946, as amended.)

C. *Draft reports of subcommittees.* All draft reports prepared by subcommittees of this committee on any measure or matter referred to it by the chairman, shall be in the form, style, and arrangement required to conform to the applicable provisions of the Standing Rules of the Senate, and shall be in accordance with the established practices followed by the committee. Upon completion of such draft reports, copies thereof shall be filed with the chief clerk of the committee at the earliest practicable time.

D. *Cost estimates in reports.* All committee reports, accompanying a bill or joint resolution of a public character reported by the committee, shall contain (1) an estimate, made by the committee, of the costs which would be incurred in carrying out the legislation for the then current fiscal year and for each of the next five fiscal years thereafter (or for the authorized duration of the proposed legislation, if less than five years); (2) a comparison of such cost estimates with any made by a Federal agency; or (3) a statement of the reasons for failure by the committee to comply with these requirements as impracticable, in the event of inability to comply therewith. (Sec. 252(a), Legislative Reorganization Act of 1970.)

RULE 7. SUBCOMMITTEE AND SUBCOMMITTEE PROCEDURES

A. *Regularly established subcommittees.* The committee shall have five regularly established subcommittees, as follows:

Permanent Subcommittee on Investigations.

Intergovernmental Relations.

Reports, Accounting, and Management.

Federal Spending Practices, Efficiency, and Open Government.

Oversight Procedures.

B. *Ad hoc subcommittees.* Following consultation with the ranking minority member, the chairman shall, from time to time, establish such ad hoc subcommittees as he deems necessary to expedite committee business.

C. *Subcommittee membership.* Following consultation with the majority members, and the ranking minority member, of the committee, the chairman shall announce selections for membership on the subcommittees referred to in paragraphs A and B, above.

D. *Subcommittee meetings and hearings.* Each subcommittee of this committee is authorized to establish meeting dates and adopt rules not inconsistent with the rules of the committee.

E. *Subcommittee budgets.* Each subcommittee of this committee, which requires authorization for the expenditure of funds for the conduct of inquiries and investigations, shall file with the chief clerk of the committee, later than January 10 of that year, its request for funds for the 12-month period beginning on March 1 and extending through and including the last day in February of the following year. Each such request shall be submitted on the budget form prescribed by the Committee on Rules and Administration, and shall be accompanied by a written jus-

tification, addressed to the chairman of the committee, which shall include (1) a statement of the subcommittee's areas of activities; (2) its accomplishments during the preceding year; and (3) a table showing a comparison between (*a*) the funds authorized for expenditure during the preceding year, (*b*) the funds actually expended during that year, (*c*) the amount requested for the current year, and (*d*) the number of professional and clerical staff members and consultants employed by the subcommittee during the preceding year and the number of such personnel requested for the current year. (Sec. 133(g), Legislative Reorganization Act of 1946, as amended.)

MAYORS CRITICIZE PRESIDENTIAL VETO OF JOBS BILL

Mr. HUMPHREY. Mr. President, on Wednesday, February 25, three distinguished mayors representing the U.S. Conference of Mayors, testified before the Joint Economic Committee. The mayors—the Honorable Moon Landrieu, mayor of New Orleans; the Honorable Coleman Young, mayor of Detroit; and, the Honorable Kenneth Gibson, mayor of Newark—spoke about the impact of the President's budget and economic policies on central cities.

The mayors expressed many concerns about the fiscal year 1977 budget and its affect on their cities. They pointed out that real grants-in-aid will decline precipitously in fiscal year 1977 and that the President's budget greatly increases the responsibilities of local governments. This "double-whammy" of less money and more responsibility will cause large tax increases and services cutbacks in many cities. The mayors were particularly concerned that the tax increases and service cutbacks caused by the President's budget will precipitate further outmigration of middle-income people and further losses of jobs from the central cities.

However, the most damaging decision for the central cities, according to the mayors' testimony, was the President's veto of the Public Works Employment Act of 1975. They characterized this veto as "a devastating blow in his—the President's—campaign to frustrate the expressed intent of the majority of Congress to provide meaningful, long-term jobs for the jobless." The mayors pointed out that substitute legislation will not meet their pressing needs and called upon Congress to reenact the original bill into law.

Mr. President, I would like to share the mayors' superb testimony with my colleagues to help them understand the current plight of our Nation's cities. I ask unanimous consent to have the mayors' statement and my opening statement printed in the RECORD.

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

OPENING STATEMENT OF HON. HUBERT H. HUMPHREY

Today the Joint Economic Committee continues its annual hearings on the Economic Report of the President. Today's hearing will focus on the outlook for state and local governments in the upcoming year and the effect of the President's budget and economic proposals on these governments.

Last year, state and local governments suffered their worst budget squeeze since the Great Depression. Inflation increased expenditures much faster than tax receipts. Then recession administered the second blow of the fiscal double-whammy. It caused enormous revenue shortfalls and increased expenditures for welfare, public health, and other unemployment related purposes. According to the President's own Economic Report, state and local governments lost over $27 billion in revenues in 1975 due to high unemployment.

This year the situation will be mixed. For some states and localities the recovery will mean higher tax revenues and lower expenditures. For these governments, budgets will be balanced although the level of services will remain significantly below pre-recession levels. I emphasize: Budgets may be balanced but services will be reduced.

For other state and local governments, however, this year will mean further fiscal disaster. These governments, particularly central cities and states in high unemployment areas, will be forced to undertake massive tax increases and expenditure cuts. Why does this occur in the middle of an economic recovery? The answer is simple. First, many areas of the country will not participate in the economic recovery. Unemployment will remain high and budget crises will persist. Second, many of these governments are carrying large operating deficits this year. Next year, these deficits will have to be offset with tax increases and expenditure cuts.

I think there is an important lesson to be learned here. Balanced budgets and high bond ratings are not the only way to evaluate the financial health of cities. You've got to look at tax rates, service levels and the quality of life. A city that has balanced its budget with taxes so high that they will drive out industry and expenditures so low that they force out middle income families is not a healthy city. I want to emphasize that point because we've got some "experts" here in Washington, who look at cities like they were corporate balance sheets. Good cash flow is important to a healthy city, but good cash flow alone does not make a city healthy.

On top of all this, the President's new budget is an outright disaster for state and local governments—offering plenty of rhetoric but no money at the bottom line. When you look at the numbers—and that's what budgets are all about—the President calls for a five percent reduction in real grants-in-aid to state and local governments. Program after program has been systematically slashed to cut state and local governments' piece of the pie—only this President calls it "consolidation"

According to analysis done by the JEC staff, the four grant consolidations proposed by the President will reduce total outlays for these programs by $1.4 billion in FY 1977. Sure there's a lot of rhetoric about local control and local discretion, but the Governor and Mayors here today know what's at the bottom line. They know that discretion doesn't meet the payrolls, discretion doesn't operate the schools and discretion won't meet local housing needs.

The President's budget also contains some "sneaky tricks," designed to subtlely increase state and local government costs. First, the President's proposal to increase the social security tax rate would require State and local governments to increase their annual contributions to the Social Security Trust Fund in behalf of their employees by $300 million. Second, the proposal to reduce the portion of transportation block grants that can be used for mass transit operating subsidies from 90 percent to 50 percent could require local governments to increase their own expenditures for mass transit by as much as $250 million. Third, the President's proposal to phase out extended unemployment compensation benefits and public service employment programs could transfer as many as 600 thousand households to the welfare rolls by mid 1977, thus increasing State and local government expenditures for public assistance by as much as $1 billion. That's total of over $1.5 billion. It's not $90 billion but its a lot of money and a step in the same direction.

Finally, the President's budget contains absolutely nothing to stimulate private sector investment in high unemployment regions and cities. His budget has written these areas off as losers and condemned them to a slow death.

As Chairman of the Joint Economic Committee, as one of a hundred Senators and as an American citizen, I am going to fight that policy with every fiber of my body. It's time we call it as it is, a new form of economic oppression, designed to isolate the poor and minorities in the central cities and to slowly tighten the noose.

Today, we will discuss these issues with one distinguished Governor and several distinguished Mayors from major cities. Our first witness will be the Honorable Hugh Carey, Governor of New York. On behalf of the Committee, I would like to extend a special welcome to Governor Carey, because he is a former Member of this Committee. Governor Carey left the hard life in Congress for rest and relaxation in the Governor's mansion in Albany. Governor Carey will be followed by a panel of three distinguished Mayors representing the United States Conference of Mayors: Mayor Moon Landrieu of New Orleans; Mayor Kenneth Gibson of Newark and Mayor Coleman Young of Detroit.

STATEMENT OF HON. MOON LANDRIEU, MAYOR OF NEW ORLEANS, LA., PRESIDENT OF THE U.S. CONFERENCE OF MAYORS; AND HON. KENNETH GIBSON, MAYOR OF NEWARK, N.J., VICE-PRESIDENT OF THE U.S. CONFERENCE; AND HON. COLEMAN YOUNG, MAYOR OF DETROIT, MICH., CHAIRMAN OF THE URBAN ECONOMIC POLICY COMMITTEE OF THE U.S. CONFERENCE

Mr. Chairman, Members of the Joint Economic Committee. I am Moon Landrieu, Mayor of New Orleans and President of the United States Conference of Mayors, the national spokesman for virtually all cities over 30,000 in population. With me today are Kenneth Gibson, Mayor of Newark and Vice President of the Conference of Mayors, and Coleman Young, Mayor of Detroit and Chairman of the Urban Economic Policy Committee of the Conference of Mayors.

When we were invited to come before you today to share with you our analysis of the President's proposed FY 77 budget and how it would impact on the nation's cities, we were confident that the comprehensive anti-recession program, the Public Works Employment Act of 1975, would have been finally enacted into law. The United States Conference of Mayors together with other public interest groups as well as organized labor and citizens' groups worked long and hard with bipartisan members of Congress to implement a sound, comprehensive anti-recession program to provide employment opportunities for thousands of Americans who want and need to return to work.

We suffered a devastating blow last Thursday, January 19, when a minority of the United States Senate joined with the President in his campaign to frustrate the expressed intent of the majority of Congress to provide meaningful, long-term jobs for the jobless. But, last week's defeat is not a final one. It is a call to action for all of us who have worked for more than a year to see this bill become a reality. We are currently examining alternative strategies to assure that our efforts to date have not been in vain. We urge members of this Commit-

tee as well as the entire Congress to work with us in enacting a complete anti-recession package immediately.

We stress immediate action. Without such economic stimulation and fiscal assistance to stabilize local government, we are fearful that the President's FY 77 budget with its many cutbacks and phaseouts will permanently cripple many of the nation's urban centers.

THE FISCAL REALITY

President Ford has, once again, refused to develop a coordinated, intergovernmental approach to the nation's economic problems. Last year, prior to the release of the Administration's FY 76 budget, the Conference of Mayors recommended that a balance must be struck between methods to disinflate the economy and methods to stimulate it. We pointed out that urban residents were feeling the negative and inequitabe effects of recession. Unemployment was mounting, welfare case loads climbed, and local government revenues began to drop off substantially. The proposals contained in his FY 76 budget, however, were principally designed to reduce inflationary pressures and to "avoid commitments to excessive growth of federal spending in the long run." His recovery policies were aimed at the private sector—individual and corporate tax reductions and increased assistance to the unemployed—and aid to State and local government was reduced in real terms while defense spending was increased and allowed to take account of future inflation.

Last year's budget forced State and local government to take actions counter to his national economic strategies:

We raised taxes while the national government lowered taxes in the private sector.

We layed off thousands of employees while the national government was attempting to create jobs in the private sector by the cut in taxes; and,

We postponed or cancelled capital projects while the national government encouraged private investment in capital expansion.

The disastrous effects of these local government actions has been documented many times over but perhaps never so clearly as in this Committee's own report of May, 1975, which revealed that State and local governments lost $20 billion in revenues during 1975 due to the recession.[1] These losses necessitated significant budget adjustments by local government. Cities enacted an estimated $1.5 billion in new taxes and reduced expenditures by approximately $1.4 billion in the same year. That is a total of approximately $3 billion taken out of the economy by local government alone, right in the middle of the worst recession since World War II.

The priorities reflected in Congress's second budget resolution adopted in December, 1975, placed greater value on human resource and economic stimulus programs and less to defense and international relations than did the President. We applaud your sensitivity to the domestic needs of this nation. But, Congress has failed to implement its priorities because a minority of its members together with the President have denied the will of the majority. Because Congress has failed to override the continual Presidential vetoes, the future of cities appears bleak since we will have to live with President Ford's budget proposals.

This failure at the national level has had severe repercussions at the local level:

Unemployment levels have climbed to double-digit levels, hitting hardest and most inequitably on the disadvantaged—the youth, the minorities and the untrained.

The revenue/expenditure gap in local budgets widens daily for most, not just a few, of our cities.

Inflationary pressures continue to mount.

Local long-term economic development programs have been diluted and halted as a result of federal actions and inactions.

The gap between what exists today in our cities—a recession and inflation-ridden economy—and what can exist tomorrow—energized local economies—must be bridged.

THE PRESIDENT'S BUDGET

Unfortunately, we find nothing in the President's proposed FY 77 budget which would bridge this gap. Indeed, his proposed cuts in domestic spending and his acceptance of an intolerable level of unemployment with inflation persisting at high rates, serve only to widen the fiscal gaps which exist in our local budgets. More importantly, our residents are being told to bear an additional unfair burden for at least one more year.

Cities are the homes for those in our society most adversely affected by the recession and by the traditional economic policies that have been applied to fight inflation—the unemployed and the underemployed, particularly, the young, the black, the Hispanic, and other minorities, as well as the elderly. The President's FY 77 budget proposals will impact most heavily on our residents:

Proposed increases in Social Security taxes and some Medicare payments will pinch most of the pocketbooks of lower-income people, the disabled, and the elderly.

Proposed elimination, by end of FY 77, of nearly 307,000 full-time public service jobs, 185,000 summer youth jobs, 54,000 other part-time jobs, and 145,000 training slots will serve only to maintain and increase the already double-digit unemployment rates in our cities.

Reduced federal social service expenditures will disproportionately affect certain urban populations.

FISCAL GAP IN LOCAL BUDGETS TO WIDEN

The FY 77 budget will widen local budget gaps between revenues and expenditures in three major ways:

1. The Proposed Cuts in Federal Assistance—

Under the Administration's budget, outlays for federal assistance to State and local government increases by only one percent, while the budget on a whole increases by 5.5 percent. (It should be noted that the one percent overall growth is primarily due to increases in individual transfer payments which are classified with the grants program.) With inflation in the public sector in excess of 8 percent, even a 5.5 percent growth in federal assistance would result in a decrease in the "real dollar" value of funds reaching the State and local level. But the increase is only one percent, and this translates into a $4.1 billion reduction in the "real dollar" value of federal assistance.

Using the Congressional Budget Office projections for the next five years, a similar decrease in federal assistance is revealed. These numbers indicate what will occur if current program commitments are maintained for the next five years. Under the Congressional Budget Office projections, federal grants to State and local governments decline from 12 percent of federal outlays in FY 76 to 9 percent in FY 81. Put in dollar terms, this would result in steadily decreasing assistance, reaching a $16 billion reduction in FY 81.

An example of the Administration's proposed reductions in State and local government assistance is the combining of 14 health programs into a single block grant to States. This consolidation not only reduces the number of categoricals into a single program, it reduces the dollar amount, also. Outlays for the block grant would be $1.5 billion less than the amount necessary to maintain current policy for the individual programs. Similarly, the President's proposed consolidation of ten child nutrition programs into a single State block grant carries with it a funding level reduction of $1.2 billion from what current policy would dictate.

While the nation's cities welcome these initiatives to reform domestic assistance programs, we are deeply concerned that the reduced federal funding, the elimination of state matching requirements and the total reliance upon the State to decide whether to receive the federal block grants, and how to spend them, will only further exacerbate the present fiscal ills of local government. Cities will be faced with the difficult choice of cutting out programs made possible by federal funds or attempting to maintain them by diverting the necessary dollars from some other essential municipal service. Such actions on the part of local officials will only further widen the current revenue/expenditure gap.

Cities need statutory assurance that they will not only receive their fair share of these block grant monies but also will be involved in the state's planning, policy making, resource allocating, program designing, and evaluating processes. Decentralization, simplification, and administrative efficiency must not become the rationalization for a reduced federal commitment to urban America.

2. The Acceptance of Continued High Unemployment and Inflation—

While Administration economists claim that a strong economic recovery is underway and cite the latest drop in the unemployment rate as one positive sign, that recovery remains an illusive, undelivered federal promise in our cities. January, 1975, witnessed not a 7.8 percent level of unemployment but more like a 10 plus percent nationally if the additional "discouraged workers" in excess of one million are added, and part time workers' losses of time are also included. In our cities, even a 10 percent rate is more like a 15 or a 20 plus rate. Therefore, the President's acceptance of a 7.7 percent national rate of unemployment in 1976, a 6.9 percent in 1977 and above 6 percent until the end of the decade is totally unacceptable to those of us who know what the effect of such rates of unemployment are on our residents and on our budgets.

Local revenues, provided mainly through taxes that tend to fall short in times of high unemployment and recession, will continue to decline if the President's levels of unemployment are maintained. In addition, persistent high unemployment in our cities will only add to the already great social, political, economic and fiscal demands on local government. In order to achieve balanced budgets, therefore, cities will have to continue their actions of the past year—raising taxes, laying off personnel, cutting public services, and/or delaying sorely-needed capital improvements.

While the President's budget projects a declining rate of inflation, at the city level the inflationary pressures continue to mount. Cities face a variety of steadily rising costs—inflated payrolls, more costly supplies, equipment, and energy, and capital improvements financed at high interest rates. The capacity of city government to provide essential services has been seriously undermined by inflationary pressures which are much greater on the public sector than they are on the private sector. Not one of the generally available price indexes is an accurate measure of changes in the cost of providing government services—they are not only inadequate on the expenditure side of the fiscal equation but they totally ignore the impact of inflation on revenues. Recently-developed inflation indexes, measuring the impact of in-

[1] *Survey of State and Local Finances*, prepared by the Joint Economic Committee, United States 94th Congress, May, 1975.

flation on both expenditures and revenues of State and local government reveal that counties, municipalities, and townships together lost about $3.3 billion of purchasing power between 1972 and 1974 due to inflation.[2] This amount is equivalent to roughly 80 percent of their total general revenue sharing entitlement in 1974.

3. Additional Federally Mandated Costs—Over the years, federal and state governments by executive, legislative and judicial action, have set forth a number of requirements and responsibilities for local government without the necessary accompanying financial resources to meet these responsibilities. These requirements have had a negative, and often severe impact upon local budgets. The question at issue is not whether these regulations and court orders are fair or whether they are unjust. The fact of the matter is they are being enforced and they are costly. Such personnel-related requirements as the minimum wage, workmen's compensation, Old Age Survivors and Disability Insurance, as well as the costs associated with the attainment and maintenance of air and water quality standards, and the impact of the Brooke Amendment on public housing costs are but a few examples of existing federally-imposed burdens without the accompanying financial resources.

The FY 77 Budget contains proposals that would add to these burdens—once again, without the commensurate federal revenues to carry out the mandated responsibilities. For example, proposed:

Social Security tax increases would make it necessary for local governments whose employees are in the system to increase their contributions to the trust fund.

Reductions in federal support for water pollution abatement would require local government to increase spending vastly to meet federal standards, unless the standards are relaxed.

Cutbacks in federal mass transit operating subsidies would virtually compel compensating outlays by local governments.

Unemployment compensation changes would displace the responsibility for 26 weeks of benefits presently funded fully by the federal government, leaving local government the option of either providing these benefits or increasing their welfare load.

Cuts in Federal funds for water quality and health planning regulation, or management without any change in elaborate federal requirements for carrying on such activities on an areawide basis probably would oblige local governments to pick up the costs.

Additionally, lack of direct federal funding to local governments, implicit in the Budget's proposed block grants for health, social services, and child nutrition, places the future of existing local direct service programs in jeopardy. If funds are not forthcoming, local government will have to either assume the costs of these programs themselves or suffer the political consequences of eliminating them.

These three depressive features alone of the proposed FY 77 Budget would have severe, adverse impacts locally as well as nationally. Further cuts in State and local fiscal outlays could only have significant negative consequences upon the national economy. Should State and local governments be forced to curtail even further its spending, which represents 16 percent of the gross national product, the negative effect on economic recovery would be severe.

[2] David Greytak and Bernard Jump, *The Impact of Inflation on State and Local Government Finance, 1967–1974*, Occasional Paper No. 25 (Syracuse, N.Y.; Metropolitan Studies Program, Syracuse University, 1975).

PROGRAMMATIC AREAS OF THE BUDGET

While significant reductions occur in most programmatic areas of the FY 77 Budget, there are two critical exceptions to this trend:

General Revenue Sharing.—First, the Administration continues its strong support of General Revenue Sharing. We commend it for this. The Budget reflects the Administration's legislative proposal for a 5¾ year extension of the revenue sharing program. Revenue sharing funds, however, have been subject to the same inflationary erosion that has occurred throughout the local sector. The Budget calls for continuation of General Revenue Sharing through October of 1982, with an annual funding increase of $150 million, or slightly below 2.5 percent. By 1982, it is estimated the real dollar value of General Revenue Sharing funds will be 24 percent below the 1972 allocations. To compensate for this inflationary erosion, the nation's cities are asking Congress to increase the revenue sharing trust fund by a minimum of $500 million a year.

We urge the Congress to immediately reenact the general revenue sharing program. It is ironic that the Congress, which has so vigorously moved to reform its own budgetary practices, is on the verge of causing major disruptions in State and local government through its delay in reenacting revenue sharing. Cities all across this country are now in the process of putting together their FY 77 budgets. Without immediate approval of the revenue sharing program, they will be forced to reduce their FY 77 revenue sharing funding activities by 50 percent or to increase local property taxes to compensate for the projected revenue sharing deficits. We are extremely pleased that the House Government Operations Committee has finally made a firm commitment to move forward with this legislation, and we are confident that the full Congress will give its final approval at the earliest possible date.

Community Development.—Second, the Administration is honoring its commitment to fund fully the Community Development (CD) Block Grant program. We commend it for this, too. This program, which is now operational throughout the country, provides flexible assistance to local governments. Under CD, seven categorical programs have been consolidated into a block grant, with funds being distributed directly to cities.

The rest of the Budget for direct grants to cities is characterized by restraint and phaseouts. Here are some major examples:

Public Employment—phaseout of 260,000 emergency Public Service Jobs between January, 1977, and October, 1977, and, in addition, a 100,000 summer youth job reduction.

Mass Transit—50 percent ceiling on Urban Mass Transportation Administration (UMTA) grants for operating assistance for mass transit. Currently 90 percent of the formula funds are used for operating costs.

Law Enforcement—decrease of 12.7 percent from FY 76 appropriations.

Construction Grants for Waste Water Treatment Works—no new funding requested to meet existing federal standards.

Economic Development—35.4 percent reduction in Economic Development Administration (EDA) appropriations from FY 76 levels.

Planning and Management Assistance—14 percent reduction from FY 76 appropriation.

Education—cutback of more than $1.3 billion below funding level appropriated by Congress for FY 76.

These proposals would only add to the already substantial fiscal woes of city governments.

We are attaching to our statement a copy of the "Budget Highlights" which are contained in the Federal Budget and the Cities, an analysis prepared by the United States Conference of Mayors and the National League of Cities. These highlights provide our assessment of the major changes in the President's FY 77 Budget. Additional details are contained in our publication which has been mailed to every Member of Congress.

I would now like Mayor Gibson and Mayor Young to highlight several other concerns of the Conference of Mayors as they relate to the President's economic policies and the state of the nation's cities.

THE PRESIDENT'S NATIONAL PRIORITIES

President Ford told us in his message of January 21, that "the Budget reflects my sense of priorities." In sum, his priorities are:

National defense budget increases both in terms of real growth and inflation while budgets for domestic programs, especially human resource programs, are held constant or slashed.

A significant tapering off of outlays to State and local governments.

The roadmap contained in his Budget promises a very smooth road for the well-to-do, a hold-the-line hope for the very poor, a long period of slow recovery for the middle-income, and a very rough time for the working poor.

The very poor, those with incomes below the poverty line—$5,050 per year for a family of four—are promised a continuation of about the same level of help they received in 1975.

The working poor, those who earn more than the government decreed $5,050 but less than the $9,000–$10,000 a family of four must have to make it in our urban areas, will pay more for social security, health services, and will see their children cut from the school lunch programs.

The well-to-do will receive even further tax incentives to invest in stocks while 8 million adult Americans will stand in the unemployment lines throughout 1976.

As a Mayor of a major city whose people have suffered unduly during this recession, I cannot accept these priorities. Neither can the United States Conference of Mayors. The Conference's policy calls for a full employment economy—something we will never achieve if the President's will is allowed to prevail.

A decision must be made by you and every Member of Congress whether you accept President Ford's restrained economic recovery which accepts intolerable levels of unemployment through the end of this decade or whether the national interest would be best served by immediately stimulating the economy sufficiently to provide employment opportunities for the millions of Americans who want to return to work.

We are aware that the call for "fiscal" responsibility and the pejorative term of "deficit" spending will influence decisions made by this Congress this year—election year, 1976. But, let me reiterate a point made by many including some of your colleagues here in Congress. The deficit in the federal budget is not a "spending" deficit. Rather, it has been caused by the severe recession of the past several years.

Consider for a moment the approximate $19.3 billion the federal government is spending this fiscal year for unemployment compensation alone. Add to this costs of increased welfare case loads, greater numbers of food stamp recipients and you arrive at a staggering federal expenditure to fund President Ford's current "jobless" policies to say nothing about similar costs to State and local government. Would it not be better to spend some of this on job creation for which federal revenues in the form of taxes would be realized to say nothing about restoring

people's dignity by providing opportunities for meaningful work?

We cannot afford to wait until 1980 for sufficient employment opportunities for our people who reside in our cities. Our cities will not survive that long.

IMMEDIATE ACTION

The United States Conference of Mayors calls upon this Congress to immediately enact a complete public works/anti-recession fiscal assistance for State and local government program to put America back to work. Last week's defeat is not a final one—we will not tolerate a minority of Senators and the President frustrating the will of the majority of Congress and the majority of local officials to provide meaningful, long-term employment opportunities for thousands of Americans.

The President is openly campaigning against the cities of this country. In his recent veto message of the Local Public Employment Act of 1975, the President openly distorted the facts about the legislation. He stated that the jobs would be public jobs and would cost $25,000 each. The facts are that approximately 80 percent of the jobs created would have been in the private sector—which is consistent with his economic policy to stimulate that sector—and the average cost of each would have been about $10,000.

We urge Members of this Committee as well as the entire Congress to work with us now in enacting a solid, anti-recession program immediately.

Unless we are successful, we will find cities across the country confronting the crisis that now besets not only New York but also, my city and many others including Mayor Young's city. I would like him to conclude our presentation by telling you how Detroit is faring.

MIXED-UP JAYCEES

Mr. FONG. Mr. President, a recent editorial in the Honolulu Star-Bulletin aptly reflects what I feel is the true nature of the life-style and relationship between the various ethnic groups in our Aloha State. This amiable intermingling of our citizenry in Hawaii, I am proud to say, gives added meaning to America's Bicentennial Year.

I ask unanimous consent that the editorial, entitled "Mixed-up Jaycees," be printed in the RECORD.

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

MIXED-UP JAYCEES

A young man named Bernie Denham came in the office the other day; he said he represented the Honolulu Chinese Jaycees. He didn't look Chinese, so we asked him how come.

He said he was in the Chinese Jaycees because he'd been invited to join by some of his Japanese-American friends. He also said the Chinese Jaycees have some officers with Japanese names and have Caucasian and Filipino members as well as Chinese. For a recent fund-raiser they had a Portuguese sausage sale.

There are also the Honolulu Japanese Jaycees, with Richard Bauske as president. Bauske, who is Caucasian-Japanese, is one of the few members of his organization who can speak fluent Japanese. He says the Japanese Jaycees also have Chinese, Filipino, Korean, Hawaiian and Caucasian members.

The Honolulu Jaycees used to be primarily a Caucasian outfit, but for some years have had members and officers representing the various ethnic groups in Hawaii.

Bauske thinks it's a fine thing for the Jaycee organizations to be all mixed up among ethnic groups, even though the ethnic names are retained, for historical reasons. We'd have to agree.

BALANCE AND JUDGMENT IN AMERICAN FOREIGN POLICY

Mr. SPARKMAN. Mr. President, more perhaps than in other societies there is a tendency toward excess in the judgments we Americans form toward our dealings with the rest of the world. During the First World War under President Wilson we formulated a concept of idealistic but practical internationalism in the form of a world peacekeeping organization. The concept was sound and wise, but the hopes we attached to it were extreme, and we recoiled from it almost immediately into a sullen, shortsighted and ultimately disastrous isolationism.

Though less far swinging than in the days of Wilson and the isolationism of the interwar years, the pendular pattern has held in our attitudes toward foreign policy. The isolationism of the thirties was followed by a powerful resurgence of internationalism in World War II, so complete that the Senate gave its advice and consent to the United Nations Charter with little debate and almost no dissent. During the cold war years which followed, our commitment to an active foreign policy was almost total and scarcely questioned—its spirit well expressed in the now-famous words of President Kennedy's inaugural—that we would "pay any price, bear any burden, meet any hardship * * * to assure the survival and the success of liberty." The terrible costs of Vietnam put an end to this brave spirit, and many influential Americans seem now to have reverted once again—though in lesser degree—to the view that events and conflicts in distant places are of little importance to the United States.

Throughout the 60 years since Woodrow Wilson's time our attitudes have been constant only in their intensity on one side or the other. The world, we have thought, must be everything to us, or nothing. Every major failure or disappointment seems to have wrenched us loose of our moorings—from self-absorption to all-out internationalism and then, though lesser so, back again. We really ought to try—as Mark Twain said "to get out of an experience only the wisdom that is in it—and stop there. * * *" We are in need of an altered and more constant view of our foreign relations—a view recognizing that some things in the world matter to us greatly, some matter in a lesser degree.

The Congress has paralleled the Nation in its shifts of attitude and outlook. Periods of uncritical acquiescence in the executive's foreign policy have been followed by vigorous—and sometimes vengeful—reassertions of congressional prerogative. Such was the case with the neutrality laws of the 1930's, which tied the executive's hands in foreign policy in such a way as to encourage German and Japanese aggression. There also have been certain excesses—along with much that is constructive—in the reassertion of congressional prerogative in the wake of Vietnam and Watergate. The War Powers Act, the Case Act requiring the reporting of executive agreements, and the new congressional budgeting procedure are solid—perhaps historic—achievements toward more responsible, congressional participation in the making of national policy.

The excesses of recent Congresses have been more of attitude than in specific legislation—a tendency to question the good motives of the executive, to carp at individual officials, and in a few instances to deny the executive necessary latitude in the conduct of foreign policy. My own view—as stated a year ago upon my accession to the chairmanship of the Foreign Relations Committee—is that we in Congress "have neither the authority nor the resources to participate in the day-to-day conduct of foreign policy, but we are entrusted with both authority and responsibility to define the objectives and determine the direction of foreign policy, according to our own best judgment of the national interest." Our proper stance toward the executive is one of judicious independence—skeptical perhaps but friendly, with a continuing awareness that while powers in our system can be separated, the national interest cannot.

The Foreign Relations Committee itself has made several constructive innovations in the last year. The committee has completed action on a new International Security Assistance and Arms Export Control Act which represents the most significant reform in our foreign military assistance since the program began after World War II. In my speech to the Senate a year ago I expressed the hope that the Foreign Relations Committee would "advance upon previous initiatives toward the phasing out of grant military aid" and also devise more effective procedures for the "review and scrutiny of our large and growing military sales."

I am pleased to report today that we have made substantial progress toward both of these objectives. Under the bill approved by the committee all foreign military grant assistance would be terminated by October 1, 1977, except for limited training programs and specific programs authorized by Congress on a country-by-country basis. Under the new Arms Export Control Act devised to replace the old Military Sales Act the emphasis of our arms sales abroad would be shifted from the promotion of arms sales as a matter of business to the imposition of restraints on arms sales—especially congressional restraints—as a matter of sound policy.

Over the years the Foreign Relations Committee has regarded itself as having public educational responsibilities no less important than its legislative duties. For this general purpose—reinforced by the observance of our Nation's bicentennial—the committee is currently conducting a series of highly illuminating hearings on "Foreign Policy Choices for the Seventies and Eighties." In the course of the series thus far we have received testimony from a panel of distinguished public opinion analysts on the views and attitudes of the American people on current foreign policy; we have heard the thoughts of several mem-

bers of the President's Cabinet on our national goals and values; we have received testimony from a panel of experts on the use of scarce and diminishing resources. We have also heard a far-ranging discussion of national security from the former Secretary of Defense and an equally stimulating presentation of the American labor movement's perspective from the president of the AFL-CIO.

We have received presentations from representatives of the business and farming communities, and we have heard the thoughts and recommendations of several distinguished theologians. Most recently we have met with mayors of major cities and Governors who provided the committee with their views. Further hearings are scheduled through the spring, and we anticipate that the published hearings will be of lasting value to schools and universities around the country as well as to interested citizens in general. Rewarding as this bicentennial educational enterprise is, it would be even more rewarding if the media fully shared the committee's commitment to public education.

It is not my intention in these remarks to cover every region in the world and every major aspect of American foreign policy but only to cite those areas and problems which seem most crucial at the beginning of 1976.

First as always in this nuclear age is the problem of stabilizing peace between the two nuclear superpowers, the United States and the Soviet Union. As the United States reassesses its position in the world in the wake of Vietnam, and its position at home in the wake of Watergate, both friends and adversaries abroad have questioned our resolve, our constancy, and even our self-confidence.

In this as in other contexts it is well for us to remember that the world will not stand still while we regain our bearings—as sooner or later surely we will. In the meantime policies must be made—as to strategic arms control, the Middle East, and Angola, to cite the most pressing issues. Sound policies cannot be expected to emerge in an atmosphere of endless congressional recrimination toward the executive. The fact that major violations of law and ethics have taken place—in the White House and perhaps too the CIA and FBI—does not mean that these agencies have become useless or malign.

So too—and here the Vietnam experience applies—the dispelling of the myth of the Communist monolith must not lead us to conclude that the Soviet Union has become benevolent or even benign. By available indications the Soviet Union both seeks and takes all possible opportunities to expand its power and influence. Limiting and countering Soviet power most assuredly does not require us to intervene wherever they intervene. Far from it—there are often more effective ways of reproving objectionable behavior than by imitating it. But restraining Soviet ambitions most assuredly requires us to maintain an overall balance of military and political power—at a cost which we are able and willing to sustain.

To this end nothing is more crucial than the current negotiation for a second strategic arms agreement. Although the outcome is still in doubt, it appears that Secretary Kissinger made encouraging progress toward a possible new SALT agreement during his January trip to Moscow—for which the Secretary deserves our support and appreciation. It is my hope that sound compromise is in the making over the hitherto deadlocked issues of the Soviet Backfire bomber as against the American long-range cruise missile.

The possibility has been opened for an agreement which would not only put limits on the costly, dangerous rivalry in strategic arms but, by lowering the Vladivostok ceilings, would actually—for the first time—require reductions in the vast nuclear arsenals of the superpowers, starting with the Soviet Union. As Secretary Kissinger said in a speech at San Francisco on February 3,

> If we succeed in turning the Vladivostok accord into a 10-year agreement, we will have crossed the threshold between total, unrestrained competition and the difficult but promising beginning of long-term strategic equilibrium at lower levels of forces.

Let us hope that this promise will be achieved to the extent of a strategic arms agreement submitted to and approved by Congress in this Bicentennial Year.

The Secretary also noted at San Francisco that the United States and the Soviet Union had already agreed that in the next phase of negotiations they would turn their attention to reductions in strategic forces. The executive deserves all possible encouragement from Congress in this enterprise, and as they undertake it, I would commend to their attention the words of former Secretary of State Dean Rusk before the Foreign Relations Committee on September 18, 1974. Recalling his many years of work and study in the field of arms control, Mr. Rusk said,

> I have just about reached the conclusion that, if real progress is to be made, the approach must be wholesale rather than retail and must involve dramatic simplicity.

There are other dimensions to détente besides strategic arms—trade and investment and also cultural relations. The latter are prospering, but we have come to a halt in the expansion of economic relations since the issue of free emigration from the Soviet Union culminated in Soviet denunciation of the trade agreement of October 18, 1972. As a result there seems little prospect for the time being of expanded investment and credits or of nondiscriminatory—or most-favored-nation—trade treatment being accorded the Soviet Union. Rather than revive these difficult issues prematurely, it might be well to make a virtue of necessity by carefully reconsidering for a time the advantages—or lack of them—in expanded economic relations. The mood of Congress is unreceptive to further initiatives. The Russians are not pressing the matter, and it would seem inappropriate in any case for us to offer expanded economic relations at a time when the Soviets are taxing the spirit of détente by their intervention in Angola.

In my Senate speech of a year ago I called for gradually increasing trade and investment between the United States and the Soviet Union with a view to developing the kind of "normal, businesslike, cordial dealings which can give nations a vested interest in peace." I also noted at that time that the transactions involved must be economically sound and that the political benefits of trade were always to be regarded as mutual, so that neither side "should demand either special economic treatment or unusual political concessions as the price of its cooperation." Accordingly, it would seem to me that when the trade issue is revived at some future date, we should not try to connect it to the internal practices of the Soviet Union, however greatly we may deplore some of these. At the same time, we should take care not to become dependent on the Soviet Union for essential materials, especially in the field of energy. Dr. Herbert S. Levine, professor of economics at the University of Pennsylvania, offered sound advice to our Government in testimony before the Foreign Relations Committee on August 15, 1974. He said:

> In our economic relations with the Soviet Union, we should be hard bargainers. We should pursue our own interests in economic and political issues. But the commitment to détente should be preserved. It is in the interest of us all that this be done.

I agree. I am for détente, but I think it should have something for us as well as for the Soviets.

It is also—and more urgently—in the interests of all of us that the great powers cooperate to break the dangerous stalemate which once again has settled upon the Middle East. The value of last year's Sinai agreement was less in what it accomplished—a limited withdrawal of forces in the Sinai desert—than in its promise of further, larger steps toward a general settlement. Among the various promises appended to the Sinai accord—it is well to recall—was the following American "assurance" to Egypt:

> The United States intends to make a serious effort to help bring about further negotiations between Syria and Israel, in the first instance through diplomatic channels.

In its Report on the International Security and Arms Export Controls Act of 1976, the Foreign Relations Committee noted that 71 percent of all the funds authorized under the bill were meant to go to the countries in the Middle East. The committee went on to say that:

> It endorses the recent Sinai accord and strongly supports continued efforts to move forward toward disengagement on the Golan and other fronts.

In the Sinai it appears that a modicum of de facto cooperation between the Israelis and Egyptians is taking place. The Israelis have moved back from previously occupied lands, including the captured oil fields, and the United Nations force in the so-called buffer zone has taken new positions. The United States, after the profitable intercession of Secretary of State Kissinger, has sent technicians to man the early warning

system to see that no violations of the Sinai accords will take place. Our technicians will advise both sides equally and evenhandedly.

As of now—6 months after the Sinai agreement—no further forward steps are apparent in easing the Israeli-Arab tensions. There have been recurring, but unconfirmed, reports of secret contacts between Israel and Jordan with respect to the West Bank. But it is impossible to tell if these reports indicate anything of significance.

The troubling events in Lebanon, including movements of Palestinian Liberation Army troops from Syria into that deeply divided nation and reports of massacres of Christians and Moslems have added a new and still undetermined quantity to the Middle East equation. At the same time, events in the United Nations, including the anti-Zionist resolution and the January Security Council debate on the Palestinian question has made the outcome of a possible solution even more murky, particularly in regard to the Golan Heights.

We now are in a period calling for quiet diplomacy. In my opinion it is time to have patience, to wait for the right moment for practical peace initiatives, and to discourage any state in the region from preemptorily altering the delicate balance.

Perhaps, therefore, it is just as well to circumvent, for the moment, the intractable issue of the Golan because settlement of it and other issues can be reduced to manageable proportions once a suitable answer is found to the question of Palestinian nationalism.

The United States cannot, should not, and—I am confident—will not acquiesce in final settlement which does not require the Palestinians to recognize Israel's right to exist, "within secure and recognized boundaries" as called for in Security Council Resolution 242.

In the present situation, I believe, it is in the best interests of the United States to privately pursue ideas with all parties which will bring closer to fruition a realistic approach to peace. At the appropriate moment, when there is movement toward accommodation by all sides in the legitimate aspirations of all peoples and nations in the region, and only then should we move overtly to serve as a catalyst for peace.

A closely related, never to be forgotten consideration is our steadily growing dependence on imported oil, especially from the Middle East. While our own domestic oil production has decreased—from a high of 11.7 million barrels per day in 1972 to about 10.4 million barrels per day in 1975, according to the Federal Energy Administration—our overall consumption has continued to rise, reaching 16.7 million barrels per day in 1975. The increasing shortfalls have been met of course by imports, which now account for almost 40 percent of our oil consumption. And of these imports a steadily rising proportion come from the Middle East and North Africa. In fact the proportion of our overall oil imports coming from the Middle East and North Africa doubled between 1967 and 1974—from 10 to over 20 percent. With virtually no prospect of energy self-sufficiency in the next 10 years or more, the United States must almost inevitably rely heavily for the foreseeable future on oil from Saudi Arabia and the other countries of the Arabian peninsula, which together account for almost half—47 percent—of the total known oil reserves of the world.

As our need for Middle Eastern oil increases, so too does our vulnerability to a new embargo. No such embargo is now threatened, but as long as the Arab-Israel conflict remains unresolved the threat will remain. And should there be another Arab-Israel war, an embargo would become virtually certain—as certain as our own resupply of Israel should such a war occur.

It is here that our two vital interests—in the survival and security of Israel and in the oil and friendship of the Arabs—intersect. They cannot be separated, but they can, I feel sure, be reconciled—through a general settlement based on guarantees for Israel, withdrawal from occupied territories, and self-determination for the Palestinian people.

In my Senate speech 1 year ago I said as to Africa and other parts of the developing world that it "makes sense for us to abstain from political intervention and especially from military action or threat." I still think it makes sense for us to abstain from intervention, and—what may be more to the point as events are now unfolding—it also makes sense for the Soviet Union and Cuba to abstain. International law and the United Nations Charter sanctify the principle of the self-determination of peoples and also the principle of nonintervention in the internal affairs of other countries.

Nowhere in the annals of law—or, so far as I know, among the hundreds of resolutions adopted by the United Nations Security Council and General Assembly over the years—is it suggested that foreign military intervention is acceptable or not, depending upon who is doing the intervening and the purpose for which they are doing it. One may not share President Ford's view that Congressmen and Senators "lost their guts" in refusing further aid for the faltering pro-Western factions in the Angolan civil war. But it does seem to me puzzling that so much indignation has been generated here at home against our own limited and probably ill-considered involvement, while the large-scale Soviet and Cuban involvement is accepted with scarcely a ripple.

The issue in Angola may soon be academic as it appears that the Soviet-Cuban backed "Popular Movement for the Liberation of Angola" seems headed for a military victory. It is possible that the MLA would have become dominant even in the absence of all foreign intervention, but we do not know that and probably never will because its current success is directly attributable to large-scale Soviet military supplies and a Cuban army of over 11,000 men. The Organization of African Unity has now recognized the Popular Movement as the government of the "People's Republic of Angola."

The United States has—or should have—no quarrel with any of the competing factions in Angola, and it is regrettable that we were not neutral from the beginning. That, however, is no longer the central issue as far as American national interest, détente with the Soviet Union and world peace are concerned. The central issue now is the precedent set by the unchallenged and successful military intervention of the Soviet Union and Cuba in the civil war of a newly independent African country. With all regard to the hazards of historical analogy, one thinks nonetheless of the Spanish civil war of the thirties, of the German and Italian military intervention which assured Franco's victory, and of the feeble, ineffectual protests of the democracies.

The Ford administration is indeed protesting, and it is justified in doing so. It would do so, however, with greater effect and persuasiveness if we ourselves had not been meddling in Angola, in one way or another, since 1961, mostly on the side of the Salazar dictatorship in Portugal. That association is in part responsible for the disesteem in which we are now held in much of Africa. It also points to a damaging blind spot in our general outlook toward the developing countries, and more particularly toward militant liberation movements in the developing world: that is our tendency to view these struggles in global, geopolitical, cold-war terms, rather than on their own local terms and merits.

All three of the warring liberation movements in Angola are, by available evidence, authentic nationalist movements, each with strong regional tribal support. There is persuasive evidence too that the MPLA is not a Soviet-type Communist movement but a radical nationalist movement headed by a Marxist-oriented elite with no desire to be dominated by the Soviet Union.

We could probably have opened communications with the MPLA leadership some time ago if we had not viewed them through the distorting prism of a cold war perspective. It also seems likely that it will in due course become feasible—and perhaps advantageous—for us to establish normal, even cordial relations with an Angolan government headed by the Popular Movement—even though they will have won their power through Soviet-Cuban military intervention. Indeed, on the basis of previous Soviet ventures in Africa and the Middle East, it seems probable that their clients will soon enough wish to be rid of them, and to that end will also wish—like Egypt, for example—to establish cordial relations with the United States.

The danger of Soviet-Cuban intervention in Angola arises less from the advantages the intervening powers will gain—which are likely to be transient—than from the precedent of successful violation of the letter and spirit of the United Nations Charter. Having purged ourselves of our own recent misadventure in Southeast Asia, we are now in a position to return to—and to reassert—traditional American principles: nonintervention, the self-determination of

peoples, and the striving for an international system under the rule of law. In order to assert these principles persuasively and with any hope of success, we must of course abide by them ourselves.

But if we do abide by them, we are also entitled to assert them as international standards—to preach, so to speak, what we practice. We could then remind our fellow members of the United Nations of the principles and purposes of the Charter which they—and we—have so woefully failed to uphold. We could call upon them then to revive and enforce the peace-keeping provisions of the Charter and to begin to make of the United Nations what Woodrow Wilson hoped his League would be—"a permanent clearinghouse where every nation can come, the small as well as the great."

UNEMPLOYMENT: CAUSES AND POSSIBLE CURES

Mr. PERCY. Mr. President, the perceptive careers editor for the Chicago Tribune, Jack Houston, has written a superb series of six articles on the root causes for unemployment and possible remedies for lowering the current high unemployment rate. He draws a bleak picture of the unemployment problems faced by certain segments of our population. The hardest hit group is blacks. For the first three-quarters of 1975, black unemployment averaged 13.9 percent, while for whites, it was 7.8 percent.

Mrs. Helen Ginsburg, a consulting economist, is quoted by Houston as stating that the black teenage unemployment rate has increased six times faster than the unemployment rate for white teenagers in the last 20 years, although the educational gap between the two groups has narrowed. In 1954, white teenage unemployment was 12.1 percent compared with 16.6 percent for black teenagers. By 1974, the white rate was 14 percent while the black rate was a precipitous 32.9 percent.

Mr. Houston also notes that most women—who comprise 40 percent of our labor force—work because their paychecks are needed for rent, food and fuel, not just for pin money. We must be just as concerned about the plight of out-of-work women as out-of-work men, he suggested. For the first three quarters of 1975, the unemployment rate for women was 8.1 percent compared with 6.3 percent for men.

Two other Chicago Tribune articles on the same subject also merit attention. Stanley Ziemba and Monroe Anderson have written stories which bring alive the depressingly high joblessness rates in the inner city of Chicago.

Mr. Ziemba has also written an excellent analysis of an Urban Institute study that suggests that the real unemployment rate is much higher than the rate reported by the Bureau of Labor Statistics.

I ask unanimous consent that these well-documented and finely written Chicago Tribune series and subsequent articles on related topics be printed in the RECORD.

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

[From the Chicago Tribune, Dec. 7, 1975]

JOBLESS "NONPROBLEMS" REMAIN—ONLY MORE SO

(By Jack Houston)

Little has changed since former Treasury Secretary John Connally defined youth and minority unemployment as a nonproblem before the Joint Economic Committee in Congress.

Little, that is, but the figures: they've gone up.

Today, total unemployment for the first three-quarters of 1975 averages 8.5 per cent. For teen-agers, the rate averages 20.3 per cent. For blacks, it's 13.9 per cent. And for women, it's 8.1 per cent compared with only 6.8 per cent for men.

In their short lifetime, teen-agers have known nothing less than "double-digit" joblessness. While unemployment for whites only has averaged 7.8 per cent the first nine months of this year, black unemployment is nearly twice that rate. In fact, jobless rates for blacks are higher in their "best" years than for whites in their "worst" years of unemployment.

And for women, who comprise nearly 40 per cent of the nation's total work force, unemployment can cause serious financial hardships.

Yet, some government officials, politicians, and business and industrial leaders conclude unemployment is a problem that can heal itself.

Through the years, views similar to Connally's have been rather typical—in fact, prevalent. As a nation, America consistently has tolerated high unemployment, particularly among various subgroups within its society.

Some economists believe such a laissez-faire attitude is good for the country. Unemployment, they say, is a type of bloodletting that purifies the American economic system.

Others, however, content that for a government to ignore such a social problem as unemployment is to invite decay of a system it wants to preserve. Left alone, they say, unemployment can grow unexpectedly and swiftly.

Consider the 12 months ending last March. In that year, the jobless rate rose to 8.7 percent from 5.1 per cent a year earlier. The number of jobless workers rose to 8 million from 4.6 million persons. Thus, in a year's time, 3.4 million workers were out of jobs.

If other workers who dropped out of the labor force too discouraged to keep loooking are included, the number is even larger. And the figures do not include those working part time because they could not find full-time employment.

Thus, some economists estimate the number of job-seeking, discouraged, and involuntary part-time workers last March at as many as 13 million, or 5 million more than the "official" figures show.

Official unemployment figures do show with some accuracy that joblessness strikes disproportionately at teenagers, minorities, and women in the labor force.

Last spring, for example, when unemployment hit its highest level since the Depression years, the average overall jobless rate for the second quarter was 8.9 per cent. But for teen-agers, it was 20.5 per cent.

For blacks and other minorities the same quarter, the average rate was 14.3 per cent, compared with 8.2 per cent for whites. For women, the average rate was 8.5 per cent, compared with 7.1 per cent for men.

Yet, unemployment is detrimental to all workers and should be a major concern, many economists believe. By volume, a greater number of adults, whites, and men are without jobs than teen-agers, minorities, and women, simply because there are more of them in the labor force to begin with.

The current high unemployment seems to be here to stay for awhile. So the time is ripe to re-examine its nature, its causes, and some suggested cures.

Generally, economists recognize three main types for unemployment: normal, structural, and deficient demand.

Normal unemployment occurs even when jobs are plentiful, because workers constantly quit jobs or are fired, and because others are entering the labor force for the first time or re-entering it.

While normal unemployment affects all workers, it is most common among teen-agers, women, and seasonal workers such as farm and construction laborers.

Structural unemployment results from a work force of persons trained in skills not suitable for the available jobs. The existence of this category partly explains how there can be high unemployment at the same time many employers cannot find workers to fill specialized jobs—for any price.

Deficient demand unemployment involves a lack of need for workers during periods of decreased business activity. Also called cyclical unemployment, it occurs when the number of workers available in the labor force grows faster than the number of new jobs.

During a recession, it becomes difficult to keep disadvantaged groups of workers such as teen-agers, minorities, and women from falling even further behind in their careers, Helen Ginsburg, a New York consulting economist, says.

In her monograph, "Unemployment, Subemployment, and Public Policy" [New York University School of Social Work, 1975], she says the limited employment progress such groups may achieve in good times can easily be washed away in recessions.

Under "last hired, first fired" practice, for example, layoffs fall most heavily on those workers most recently hired, who tend also to be, historically, those most often discriminated against—women and minorities.

While interest in the problem and its cure is renewed in recessionary times, solutions are much more difficult to attain, Ginsburg says.

"Making employment breakthroughs is difficult enough even in the best of times," she says. "But when joblessness is widespread and layoffs the order of the day, the power of government agencies to hasten change is frustrated."

But some kind of change is necessary. According to Leon H. Keyserling, a consulting economist and attorney and former chairman under President Truman of the Council of Economic Advisers, this nation is paying for its neglect at an annual rate of about $215 billion in lost gross national product.

This means "a loss of more than $50 billion in public revenues at all levels of government at the existing tax rate," he says.

Jobless workers do not produce goods and services. Neither do they pay taxes. But they do drain the economy of unemployment compensation and other supportive programs such as welfare at an annual cost of about $15 billion.

Meantime, the federal government cuts taxes while local and state governments are raising them, thus counteracting federal attempts at stimulative fiscal policy.

And while the federal government creates a handful of public service jobs, state and local governments are laying off regular employees.

JOBLESSNESS IS STORY OF TEENS' LIVES

(By Jack Houston)

Our Nation's young people suffer most from lack of jobs—and from government's lack of concern about unemployment.

In their brief lifespan, teen-agers have known nothing less than "double-digit" joblessness. And because "the average American" lives with the problem far below this level, the averages appear to work against our youth.

"Unfortunately," says Helen Ginsburg, a New York consulting economist, "youth unemployment is not necessarily defined as a problem." To officials and politicians in a position to do something about their plight, the young somehow seem less real members of the nation's labor force, she says.

Yet, many labor economists believe there is sufficient reason to take their situation seriously.

John Shea of Hillside knows first-hand the problem of unemployment.

Though he turned 20 last month, the problem shadows him.

Last winter he was laid off his factory job and couldn't find work for months. He entered school but needed a part-time job that would fit his hours and meet expenses.

Finally, he got one, but a few weeks later business turned bad and he was laid off.

After several weeks of summer employment, John earned enough money to enroll at Western Illinois University. Now he's home for the holidays, considering whether to drop out of school and earn the money to meet his college expenses.

His experience is typical.

As a group, teen-agers maintain the highest unemployment rates in the nation, making age differences in the jobless sector even more pronounced than racial differences.

Teen-age unemployment is higher now than it was two decades ago. In fact, it has not fallen below 10 percent since 1953.

Hardest hit within this group are black women.

Last year, before the brunt of recession, unemployment averaged 16.0 percent for all 16 through 19-years olds in the labor force. That was nearly three times the national average for total unemployment in 1974.

By last January, youth unemployment had reached 21.4 per cent. Recent data show teen-age unemployment running at 20.3 per cent, compared with the national average of 8.5 per cent.

Yet despite their difficulty in finding jobs, young people find work an important aspect of their daily lives.

"Work is the primary activity of many teen-agers," notes Mrs. Ginsburg in her monograph, "Unemployment, Subemployment, and Public Policy" [New York University School of Social Work, 1975].

A major reason for high unemployment among young people is their lack of experience. But there are other barriers.

In the last half of the 1950s, for example, the "loose labor market" that prevailed [that is, more job applicants than jobs] helped fuel high youth unemployment. Then in the '60s, the fire was fanned by increasing numbers of young people who were products of the post-World War II baby boom entering the labor force for the first time.

In years of relatively low unemployment, when many young people who would have competed for civilian jobs were in the armed forces, the labor market still was unable to provide a sufficient number of jobs for those seeking them. So youth unemployment remained high.

Many of these same problems, as well as others, persist today. For example, students who must work have difficulty finding part-time jobs that fit into their school schedules. Youths out of school still must compete for jobs with older workers in a labor market where jobs are scarcer than applicants.

Meanwhile, racial barriers tend to compound the problem.

Data from the Bureau of Labor Statistics show that in 1954, teen-age unemployment was 12.1 per cent for whites but 16.6 per cent for blacks. By 1974, the white rate had risen to 14.0 per cent, while the black rate had soared to 32.9 per cent.

Over the two decades the black rate had increased more than six times as fast as the white rate, Mrs. Ginsburg notes. Yet, during the same period, the gap between education levels of both groups narrowed considerably.

"Nor does the unemployment rate tell the whole story," she says. "Teen-age blacks are less likely to be in the labor force whether or not they are enrolled in school. The especially harsh job market conditions faced by [them] has, understandably, made some of them give up."

Sex discrimination adds to the burden, forcing many black women who are willing and able to work onto welfare.

And there are other serious consequences, Mrs. Ginsburg notes.

"For black youngsters, joblessness too often portends the limited opportunities of adult life.

The situation of young black adults is particularly striking when you look at the government figures. Last year, for example, unemployment among 20 to 24-year-old blacks stood at 14.7 per cent for males and 17.4 per cent for females. This compared with 8.5 per cent and 8.2 per cent rates for their white counterparts.

The lack of economic opportunity also has been a key factor in generating youthful crime. A study on crime, youth, and the labor force, made in 1972, linked high crime and low labor force participation in urban areas for 18 and 19-year-old male youths.

"Unemployment retards normal family formation and idleness and absence of legitimate work increase the appeal of illegitimate activities," Mrs. Ginsburg notes.

"Unless many more jobs are provided in our society, the high rates of unemployment for youths in recent years may simply portend escalating unemployment rates further up the age hierarchy and lead to an increase in public dependency."

JOBLESS RATE HIGHEST AMONG BLACKS

(By Jack Houston)

The burden of unemployment leans heavily on the backs of black Americans.

Ernest Frazier, 29, a black from the West Garfield community, got fired from his $90-a-week job during the current recession when he failed to show up for work for two days.

He was out looking for a better job in order to support his three children.

He was earning $2.50 an hour as a materials handler, making boxes and packing hats. When he returned to work, his boss fired him, saying he needed someone on the job every day, so he gave Frazier's job to someone else.

It wasn't the first time Frazier had been out of work. It probably won't be the last. He's been unemployed three times before, the longest time in 1969 when he was out of a job a year.

His best-paying job was in the steel mills—$4 an hour—but in recent years he hasn't been able to match that wage.

"I'm handy with my hands," he said. "I could work on the streets doing home repair, but I don't have the tools."

He used to have a car, but it was demolished in an accident. If he could find another job, it would have to be close to home.

For a black man, Frazier's story is not that unusual.

In recent years, official unemployment rates for blacks were higher in their "best" years than for whites in their "worst" years.

White unemployment since 1954, for example, only reached as high as 6 percent in the recession years of 1958 and 1961. For blacks, the jobless rate never dropped to that level.

"Among black people, unemployment is double that for whites; some ghetto areas have up to half their populations out of work or in marginal jobs," says Vernon E. Jordan Jr., executive director of the National Urban League.

"That, by any definition, amounts to a major depression for black workers."

In other words, what may be a severe recession for most white workers has been an outright depression for blacks and other minorities.

Until this year, white unemployment in the last 20 years has ranged between a low of 3.1 per cent and a high of 6.1 per cent. Black unemployment, however, ranged between 6.4 per cent and 12.6 per cent.

The situation has grown worse during the current recession for both whites and blacks. White unemployment for the first nine months of this year has averaged 7.8 per cent. For blacks, the average reached 13.9 per cent.

Last year, the national average unemployment rate was 5.6 per cent. At the same time the average rate for whites was only 5 per cent while it was 10 per cent for blacks.

Now, in the wake of the sixth post-World War II recession, white unemployment has climbed substantially, but its 7.8 per cent average rate would be considered low for black workers.

The National Urban League as well as other organizations believes the official Bureau of Labor Statistics figures seriously understate the nation's jobless rates. Instead of 14 per cent of the nation's black workers unemployed, the league sets the rate nearer 25 per cent, or one in every four black workers.

The league bases its figures on a formula devised by the Joint Economic Committee that adds to the number of officially unemployed the number of discouraged workers and those part-time workers who want to work full-time.

The league also suggests that in poverty areas the actual jobless rate among blacks is triple that of the official rate.

This same formula was used by the Chicago Urban League in October to set the city's black unemployment rate above 36 per cent.

History shows, however, that black unemployment wasn't always so far ahead of its white counterpart. In fact, between 1948 and 1954, the lowest black unemployment rates actually overlapped the highest white rates.

"In four of the [five] years, annual black unemployment dropped below 6 per cent, and in three of the years to below the white high of 5.6 per cent reached in 1949," notes Helen Ginsburg, a New York consulting economist.

The gap between white and black has continually widened since the end of the Korean War, however. A number of factors contributed to this.

In the mid-'50s, for example, blacks migrating into urban areas from the rural south faced difficult economic conditions unlike their white counterparts in the '40s and '50s, Mrs. Ginsburg says.

During those decades, labor markets were often tight and production work provided expanding employment opportunities, despite discrimination, even for those with few skills and relatively little education. By 1965, manufacturing had replaced agriculture as the leading employer of black workers.

Then, three recessions between 1954 and 1961, combined with the acceleration of technical change, took its toll against blacks. While factory jobs did not disappear, the growth of such jobs became sluggish and the need for production workers was reduced drastically.

Rapid segregation of metropolitan areas, encouraged by government housing and transportation policies, also has contributed to higher unemployment rates for blacks since the late 1950s.

Many cities lost jobs or displayed slow employment growth. At the same time, inadequate public transportation expanded employment opportunities in suburban areas,

while making the new jobs inaccessible to inner-city blacks.

Housing segregation based on race and income also helped perpetuate the problem.

Charles C. Killingsworth, a well-known and respected economist at Michigan State University, believes a major cause of the gap between black and white unemployment rates is directly related to the concentration of blacks in inner cities.

"We've got to find some way to move these surplus people to where the jobs are," he says. "We must develop incentives to motivate them out of the urban ghettos."

Mrs. Ginsburg agrees.

"Unfortunately, there is little reason to believe that black unemployment can be brought down very much without specific policies, including maintenance of tighter labor markets, creation of public service jobs, and increased efforts to achieve greater equality in the job and housing markets," she says.

The result of massive and continuing unemployment, says Jordan of the National Urban League, is "decayed cities, personal misery, waste of productive potential, inflation, social unrest, perpetuation of discrimination, and a host of other negative factors. . . ."

THE "PIN MONEY" MYTHS PREVAIL DESPITE NEEDS OF WORKING WOMEN

(By Jack Houston)

Women—unlike men—do not have to work, it often has been said. Their pay—referred to as "pin money"—really is not essential. For them, work is just a frivolous activity.

Nothing could be further from the truth.

"I'm surprised to hear that myth still persists," says Darlene Stille, chairperson of Women Employed, a local organization seeking better job opportunities for women. The myth, she says, is not borne out by the facts.

"Women work because we have to work. We have to pay our rent. We must buy food and clothing."

While women as well as men may have valid, noneconomic reasons for working, the fact remains that millions of American women also have more compelling economic reasons for seeking jobs.

Unemployment can cause serious financial hardships for them.

Today, women comprise nearly 40 per cent of the nation's civilian work force. Yet last year their unemployment rate was more than a third higher than that of men.

That difference may not look impressive on statistical charts, but many economists believe the gap between the sexes is greatly understated. There is more hidden unemployment among women, they contend. Women are more likely than men to drop out of the job market when they can't find jobs.

Unemployment among women may become even more of a critical problem than it is today, says Helen Ginsburg, a consulting economist in New York.

"Family size is declining and women with smaller families are more likely to participate in the labor force than mothers of large families," she says. "Divorces are on the upswing and divorced women have higher labor force participation rates than women in any other category."

The women's liberation movement in America has stimulated the desire of some women to take on paying jobs. As proportionately more women enter the labor force in coming years, the need for more jobs to absorb them will increase.

If there are insufficient jobs to meet this need, even higher unemployment will occur.

"Since families headed by women are a growing portion of poor families," notes Mrs. Ginsburg, "lack of jobs for women may increase the pain of poverty and cause a greater reliance on welfare."

Government figures show that in 1973 there were 7.7 million single women in the labor force who depended upon personal earnings for support. In addition, there were 2.5 million widows, 2.3 million divorcees, and 1.4 million married women not living with their husbands.

About 4.3 million children under 18 were living in families headed by women in the labor force that same year.

Meantime, there were 19.8 million married women in the labor force who also were living in traditional husband-wife families.

"Wives make an important contribution to family income, Mrs. Ginsburg says. "Their contribution would be even greater were it not for the fact that women tend to earn less than men, even when they do the same kind of work."

"[Their] earnings account for 28 per cent of family income in husband-wife families. Far from being frivolous, a decision for both [marriage] partners to work is strongly based in family economics."

In a monograph prepared for the Center for Studies in Income Maintenance Policy at New York University School of Social Work, Mrs. Ginsburg notes that many families, both black and white, barely make ends meet without two incomes. And unfortunately, she says, black families still require two earners to attain incomes nearly comparable to those of white families.

Government data show that half of the nonfarm wives in the labor force in 1973 were married to men who earned less than $9,144 the previous year. Half the husbands of black women workers earned less than $7,246.

Forty-two per cent of unemployed male family heads had wives who were employed in 1973. The wives' earnings, plus unemployment benefits, helped maintain their family income.

Unemployed women who are heads of families, however, are far less able to rely on other earners in a household than men.

The median income of families with children headed by a jobless woman in 1973 was only $3,540, less than the amount for similar families in which the mother was not in the labor force.

Mrs. Ginsburg says there are several reasons for high unemployment rates among women.

Regardless of their education and training, women still face more restrictive hiring practices by employers than men. Also, the pervasiveness of "sextagged jobs" cuts down the options open to most women entering the labor market.

In areas where there are few female jobs. a wife who wants to work must remain unemployed, because the husband's place of employment usually determines where the married couple will live.

Also, unemployed women tend to move in and out of labor force because many of them, as wives, have been raising families. Once they do find jobs, they are among the first to be laid off in recessions because they have not built up enough job seniority.

"Employers are using the recession as an excuse to wipe out all the gains made by women in recent years under affirmative action programs," according to chairperson Stille of Women Unemployed.

Wilma Stevens, president of the Chicago chapter of the National Organization for Women, says the only solution to high unemployment among women is to create more jobs for everyone. NOW supports House Bill 50, entitled the Equal Opportunity and Full Employment Act of 1976. she says.

The bill was introduced to Congress earlier this year by Rep. Augustus F. Hawkins [D, Cal.] and Henry S. Reuss [D., Wis.]. A similar bill was introduced in the Senate [S50] by Hubert H. Humphrey [D., Minn.].

The bill declares that "only under conditions of genuine full employment and confidence in its continuation is it easier to eliminate the bias, prejudice, discrimination, and fear that have resulted in unequal employment under unequal conditions of women, older people, younger people, members of racial, ethnic, national, or religious minorities, veterans, the physically and mentally handicapped, former drug addicts, and released convicts."

Under the bill, an expanded federal employment service, would be responsible for ensuring a job for every person able and willing to work. Persons unable to find suitable employment would be placed in temporary public service jobs.

Many employers, however, object to the bill because it requires registration of all job openings with the government.

THIRTIES DEPRESSION WAS TURNING POINT

(By Jack Houston)

When unemployment rose sharply this year to its highest levels recorded since the Great Depression, it became an acute crisis within the context of a long-term problem.

Ironically perhaps, that group of Americans who have suffered most from the lack of jobs—our teen-aged youth—know nothing of the economic impact of the Depression of the 1930s.

In fact, to the vast majority of persons under 40 years of age, the current economic recession is the worst job market any of them have faced in their lifetime.

For those persons who can recall, The Great Depression was a traumatic event and a turning point in this nation's economic history.

Unemployment has always been with us, but never so massive or persistent as in the '30s. Who could have guessed in 1929, with only 3 per cent of the labor force unemployed, that four years later unemployment would reach 25 per cent.

During the '30s, joblessness never fell below 14 per cent, and in four of those years it averaged more than 20 per cent.

Karl Marx, father of socialism, contended that depressions and unemployment were inevitable features of capitalism that eventually would contribute to the system's collapse. By the mid-'30s, some began to wonder whether he wasn't right.

History showed that recurrent bouts with unemployment throughout the capitalist world were commonplace. As a result, many theories about its causes and cures were developed through the years.

From the late 18th century, in this country and abroad, a succession of "classical" and "neoclassical" economists stretched into this century. Their theories stressed the transitory nature of unemployment and minimized the extent of involuntary joblessness.

Some classisists even denied the possibility of its existence, except for a temporary phenomenon that could be cured by lowering wages.

They believed the government should keep its hands off the economy, even in times of high unemployment. In times of recession or depression, belt-tightening and slashed government budgets were the answer.

Remnants of this school remain today, but the Great Depression shattered its unchallenged position in the capitalist world. The Depression was worldwide and left no capitalist nation untouched.

To fill the void left by failing classical theory, the theories of John Maynard Keynes began to prevail.

Keynesian theories gave a rational basis for some active government intervention into private economic affairs. His "new economics" gained widespread acceptance and came to dominate economic thought in most of the capitalist world during the Depression years.

Unlike his predecessors, Keynes acknowl-

edged the chronic tendency of advanced capitalism to generate high unemployment. But the problem was not that wages were too high; rather, there was a recurrent sagging demand for workers in the private sector, he said.

Then, as today, some charges that Keynesian theories are simply a guise for socialism yet, Keynesian economists say Keynes, by finding techniques for maintaining "full employment" under capitalism, actually denied orthodox Socialist doctrine.

Keynes believed that unless the government actively intervened in the economy and increased its expenditures during depressions and recessions, unemployment would continue to rise. Given sufficient government expenditures and other policies designed to stimulate demand, he was certain that a private enterprise economy could be pushed toward "full employment."

The term "full employment" does not mean no employment; it means everyone who wants a job can find one in a relatively short period of time.

New Deal policies during the Roosevelt Administration bore remarkable resemblance to those advocated by Keynes.

"With armies of the unemployed clamoring for jobs, for the government not to step in simply was out of the question," says Helen Ginsberg, consulting economist in New York City.

Direct efforts to increase employment centered around numerous government work-sponsored projects, such as the Works Progress Administration [WPA]. But there were also indirect efforts to stimulate employment in the private sector—a kind of pump priming.

Despite these efforts, the Depression did not run its course until after World War II.

The war years, from 1941 to 1945, developed the longest period of extended full employment this nation has ever experienced. The period proved to be a powerful weapon against poverty. Steady paychecks enabled millions of families to leave the ranks of the poor, Mrs. Ginsburg points out.

Still, the war years were insufficient to erase the scars left by the Depression.

Since World War II unemployment has not ceased to be either a serious or a perpetual problem, but it often has succeeded in becoming a neglected one. Compared to what happened during the Depression, contemporary unemployment is relatively simple to ignore.

Some others believe unemployment is relatively simple to cure, as if there were an easy answer. But the problem is "a little like cancer," says Charles C. Killingsworth, reknowned economist at Michigan State University.

"On the surface the problem may look rather superficial, but underneath it is highly complicated," he says.

Since 1946, unemployment has drifted upward. Through last year the average annual unemployment rate has averaged about 4.7 per cent. Since 1957, however, the rate has dropped below that figure only five times.

There have been six recessions since 1946, including the current one. Government figures show that from 1958 to 1964, joblessness was more than 5 per cent and it hovered close to 7 per cent in two of those years. In this decade alone, unemployment has remained near or more than 5 per cent.

"Most disquieting of all has been the association of very low unemployment rates with war and the growth of military expenditures. Since 1948, unemployment has never dipped below 4 per cent, except during the Korean and Viet Nam wars," says Mrs. Ginsburg.

Yet other capitalist nations in the world have attained much lower unemployment rates without huge military budgets, she says. In 1969, when this country was at war in Viet Nam and unemployment at 3.5 per cent, nonwarring nations had even lower rates: Japan, 1.1 per cent; West Germany, .8 per cent; Sweden, 1.9 per cent; and France, 2.1 per cent.

The question facing economists today is how our swords can be turned into plowshares.

PUBLIC PLEDGE FIRST STEP ON ROAD TO FULL EMPLOYMENT

(By Jack Houston)

What can be done about our ailing labor market? Is there any answer?

Certainly one seems overdue. So far this year unemployment is averaging 8.5 per cent for all persons in the labor force. For teenagers alone, the rate is 20.3 per cent.

For black Americans, the unemployment rate is 13.9 per cent, compared with only 7.8 per cent for whites only. And for women, it's 8.1 per cent, compared with a rate of only 6.8 per cent for their male counterparts.

Can anything be done to lower the rates, to alleviate the unequal burden on our youth, minorities, and women? In good times as well as bad?

"The best answer . . . is to provide more jobs," says Helen Ginsburg a New York labor and poverty economist.

"By direct job creation, the federal government could help overcome the persistent shortage of jobs and of decent-paying ones."

Charles C. Killingsworth, professor of labor and industrial relations at Michigan State University, agrees, adding:

"Many economists have been assuming that fiscal and monetary policy has about three times as much effect on the unemployment rate as the facts justify."

While part of the current unemployment problem, which he calls cyclical, can be reduced by fiscal and monetary policy, relying on such policy to control unemployment will not solve structural problems, he believes.

"Adapting the labor force to changes in the supply of jobs is a matter of crucial importance in our society today," he says.

Edward C. Banfield, author of the book, The Unheavenly City [Little, Brown, 1970], contends the crucial factor is "the aggregate demand of the economy for goods and services."

"If demand is high enough, everyone who wants to work can find a job no matter how lacking in skills he or she may be."

To assure full employment, total demand must grow by more than 4 per cent a year just to keep the unemployment figure from rising. To decrease the unemployment rate, the demand must grow even more.

Through the years, an array of proposals have been offered to relieve, if not resolve, the problem of high and persistent unemployment in our nation. Little nationwide commitment to solving the problem is apparent, however.

Since the Great Depression there has been particular interest in diagnosing the illness and suggesting cures. But economists cannot agree on how serious the malady is. They can't even agree on its diagnosis.

In 1961, the Joint Economic Committee of Congress held hearings in an attempt to determine the prominent causes of unemployment.

Is unemployment caused mainly by "structural" factors and the inability of persons in the labor force to adapt to change?

Or is it more the result of an inadequate demand for goods and services?

Since the hearings, the inadequate demand concept has prevailed. But only partly. In this recession Congress has cut taxes, but the Administration has warned it would veto increased government spending.

In fact, in proposing another tax cut for 1976 President Ford asked Congress to cut an equal amount of government spending. Congress is wrestling with that tradeoff, and it remains to be seen what will happen.

Beyond this, however, there is no national commitment to full employment—the concept that every American willing and able to work should have the right to a decent-paying job.

"The failure of the private sector of the economy to generate enough jobs suggests that a large and permanent public service employment program is needed," says Mrs. Ginsburg in her monograph, "Unemployment, Subemployment, and Public Policy [New York University School of Social Work, 1975].

"Such a program [in good times as well as bad] could vastly improve the prospects of workers who normally are disadvantaged in the labor market. It could be a powerful weapon against unemployment and poverty," she says.

Killingsworth agrees, adding that since World War II there has been less demand for low-skilled and poorly educated workers, while the supply of such workers has not decreased as rapidly. Meanwhile, the demand for highly skilled well-educated workers has risen more rapidly than the supply.

The work force must be restrained and educated to meet these new demands, he says.

Full employment cannot be achieved overnight, but it is a goal that the nation should adopt immediately, may believe.

The House Subcommittee on Equal Opportunities is studying a bill that calls for such a commitment. The bill—H.R. 50, The Equal Opportunity and Full Employment Act of 1976—sets the goal that every American willing and able to work should be guaranteed a job.

The bill was introduced to Congress by Rep. Augustus F. Hawkins [D., Cal.] and Henry S. Reuss [D., Wis.]. A similar bill was introduced in the Senate [S 50] by Hubert H. Humphrey [D., Minn.].

The proposal seeks to expand the federal employment service and public service jobs program. If the federal placement service cannot find employment for the jobless in the private sector, then it must provide temporary jobs in the public realm.

It also requires the President to submit a full employment and national purpose budget each year, setting forth his program for reaching full employment goals, which the bill defines as 3 per cent unemployment among full-time workers.

It recommends a $15 billion appropriation to initiate the program.

While the proposal is widely supported by labor and civil rights groups, the business sector has attacked what it considers its major flaw.

According to a survey of 200 major corporate employment managers in the United States, three-fourth concluded that the U.S. Employment Service is useless and ineffective now and should not be expanded. The study was conducted by Deutsch, Shea & Evans, Inc., human resources consultants in New York.

But if not a national commitment to full employment, what kind of alternative? Shall this nation continue to ignore the unemployment problem or refuse to admit it's even there?

Killingsworth says that recently his own views have been "gradually shifting" toward the "radical" view that the government should be an "employer of the last resort."

"When I see what's been going on, this kind of full employment program might be a burr under the saddle. It's virtue is that it could stimulate activity that might not otherwise take place," he says.

[From the Chicago Tribune, Feb. 11, 1976]

BAD TO WORSE: A SECOND LOOK AT THE JOBLESS RATE

(By Stanley Ziemba)

Everybody talks about unemployment, but nobody seems to know just how many people are without work.

The Department of Labor's national unemployment rates take into account those who are unemployed and still looking for jobs. But what about the unseen unemployed—people who, for a variety of reasons, are not now working or looking for work who would be in the job market if the economy was running at full steam? How many of them are jobless?

The Urban Institute, a Washington-based nonprofit research organization, has issued a report entitled "The Jobless Rate: Another Dimension of the Employment Picture." It attempts to come to grips with the question of the unseen unemployed.

Ralph E. Smith and Jean E. Vanski, authors of the report, estimate that almost two million people who are not now working or looking for work would be in the labor force if the economy was operating at full capacity. That's in addition to the almost 7.5 million people listed officially as unemployed by the federal government.

Furthermore, almost half—900,000—of the potential workers not seeking jobs are adult females, the authors calculate. Another 700,000 are teen-agers, and about 300,000 are adult males.

In terms of proportions, the authors determined that for December, 10.2 per cent of the nation's potential labor force was without jobs. The figure includes persons who stopped their search for employment during the current hard times and those who are still actively seeking work.

The conventional unemployment rate, by contrast, which counts only those who are actively seeking work, was 8.3 per cent for December.

The two Urban Institute researchers call their measure of labor market conditions "the jobless rate."

They claim it is more comprehensive and better captures what is happening within the labor force than the official unemployment rate. They note, for example, that the jobless rate shows that job losses from the current recession are even larger than indicated by the unemployment rate.

It also gives a better idea of what is happening to particular demographic groups within the labor force, they said.

By figuring out the jobless rate for adult females, teen-agers, and adult males for December, they found that the rates exceeded official unemployment rates for these groups, but by significantly varying amounts.

The jobless rate for adult females in December was 10.4 versus 9 per cent [the official unemployment rate], they noted, 25.9 versus 19.9 per cent for teen-agers, and 7.0 versus 6.5 per cent for adult males.

By determining the jobless rate for various segments of the public, the two authors concluded that the only large group not subject to large cyclical variations in labor force participation during the current recession are white adult males.

Women, youths, and minority members, on the other hand, have all felt severe job losses, they said.

None of these facts are adequately reflected in conventional unemployment rates, they added.

To compute the jobless rate, the authors determine the difference between the number of people who would be available for work [potential labor force] in an economy operating at full capacity and the number who are actually working. They then divide that figure by the potential labor force and multiply it by 100.

In 1974, several months before the unemployment rate began to rise, the jobless rate started to climb, the authors noted. Use of the latter rate would have alerted the nation sooner to the impact of the recession in the labor market, they claim.

[From the Chicago Tribune, Jan. 29, 1976]

31.5 PERCENT OUT OF WORK IN INNER-CITY AREA—UNEMPLOYED RATE HIGHEST IN CHICAGO

(By Stanley Ziemba)

The Oakland community on the city's South Side has the highest unemployment rate in the city, according to a neighborhood-by-neighborhood breakdown of unemployment levels in Chicago for the month of December.

Oakland, bounded roughly by 35th and 43d Streets, Cottage Grove Avenue and the lake, had an unemployment rate of 31.5 per cent—19.8 per cent higher than the citywide average of 11.7 per cent for the month, according to figures released last week by the Mayor's Office of Manpower.

About 1,360 individuals out of the neighborhood's total work force of more than 4,320 were jobless during the month, the study found.

Other neighborhoods suffering unemployment rates far in excess of the city's average, according to the study, are: Riverdale [29 per cent]; Fuller Park [28.7 per cent] and Grand Boulevard [23.7 per cent].

Also East Garfield and North Lawndale [21.9 per cent]; West Garfield, Washington Park, and the Near West Side [20.5 per cent]; Englewood [19.8 per cent]; and Woodlawn [18.5 per cent].

Like Oakland, all are inner-city communities located on the West and South Sides. All are populated predominantly by blacks.

These are communities where even in the best of times residents suffer many obstacles in searching for jobs, officials in the Mayor's Office of Manpower said.

They contain concentrations of people with low skill levels who have suffered barriers in seeking work because of race and other factors, they noted.

By contrast, the neighborhood with the least unemployment in the city is the virtually all-white O'Hare community on the city's far Northwest Side.

Bounded roughly by Belmont Avenue and Higgins Road, the Des Plaines River and the western boundary of the suburb of Norridge, O'Hare had a 4.6 per cent unemployment rate in December—7.1 per cent below the citywide average.

Other neighborhoods with rates far below the average are: Edison Park [5.4 per cent]; Forest Glen [5.7 per cent], and Mount Greenwood [6.4 per cent].

Edison Park and Forest Glen also are on the far Northwest Side. Mount Greenwood is the farthest southwest community in the city.

All three boast a large population of city employes, including police and firemen.

The breakdown of unemployment levels is the third to be compiled and published by the manpower office. Earlier studies detailed employment statistics for October and November for the 76 communities in the city.

The Oakland community had the highest unemployment rate and O'Hare the lowest in October and November also, according to the studies.

The office undertook the studies to pinpoint the communities here most in need of services to improve employment opportunities and to assist the unemployed, said Dennis McAvoy, research director for the agency.

In the past, he said, it was generally concluded that inner-city communities suffer unemployment rates far in excess of the city's average, but officials here were unable to pinpoint areas most in need of services or to identify and analyze trends.

This was particularly damaging, he explained, because so much recent legislation, such as the Federal Comprehensive Employment and Training Act, requires funding formulas based on statistics reflecting dimensions of need.

To achieve a neighborhood-by-neighborhood breakdown of unemployment levels, the agency uses Chicago unemployment rates estimated monthly by the Illinois Bureau of Employment Security. The city agency then calculates statistics for communities through a formula incorporating census data, McAvoy said.

He added that the agency hopes to add indicators of employment by place of work [labor force is based on where workers live] and income levels to its employment studies on communities.

McAvoy warned, however, that the unemployment rates should not be taken as a precise figure but merely an indicative one. Precise figures are virtually impossible, he added, because of the difficulty in computing unemployment statistics and census data, much of which are imprecise to begin with.

"The unemployment rates arrived at are simply our best guess," McAvoy said.

He explained that inner-city neighborhoods like Oakland have high unemployment rates for two reasons:

They contain an unusually large proportion of youths under 24 years of age who, because they are black, traditionally have a harder time finding jobs compared to their counterparts among other racial groups, or compared to other age groups regardless of race. Blacks under 24 make up about half of all the blacks unemployed in the city, McAvoy noted.

Inner-city workers hold proportionately more blue collar jobs than residents of other neighborhoods. The blue collar job market, particularly in manufacturing, has been hit hardest by the economic recession.

The city as a whole, McAvoy said, appears to be recovering from the recession. The citywide unemployment rate for December declined two-tenths of one per cent from 11.9 per cent for the month of October and November, he noted.

The 11.9 per cent level was the highest unemployment rate reached in the city since the Depression.

The total number of unemployed persons in the city dropped about 4,000 between October and December to 165,000 McAvoy said.

[From the Chicago Tribune, Jan. 29, 1976]

IT'S LIFE OF FUTILITY IN RANKS OF JOBLESS

(By Monroe Anderson)

The afternoon was taking its time going nowhere. Carl Jones, who had one eye on the clock and the other on all those people in single file ahead, marked time by shifting from one foot to the other.

He was bored, peeved, and frustrated as he went through what has become a much too frequent ritual in his life: waiting in slow-moving lines.

This afternoon it was a line at the Unemployment Compensation Office, 5030 S. King Dr. Last week it was another job application line.

For the last year, Carl, who is 19 and lives at 4444 S. State St. with his mother, has been waiting out his life in a series of alternating lines. Unemployment. Job application. Unemployment. Job application.

"I hope I don't ever have to go through this again," Carl said. "If I ever get another job, I'm going to keep it."

The last job Carl had was the one he lost as a janitor at Michael Reese Hospital. He had worked there for four years, and before that had worked for City Hall and at the Civic Center. He was not used to being without a job; he had been working since he

lied about his age when he was a tall 12-year-old.

"All I want is a job," Carl said. "I'll do anything."

So he had been everywhere. He'd been to the Ritz Carlton Hotel and to Cook County Hospital. He'd been to factories and plants. He'd checked with a janitor who lives in his building in Robert Taylor Homes to see if there are any Chicago Housing Authority jobs available.

But still, for the last year he's been unemployed—and waiting in lines.

"Times are hard," said Sidd Jones, 42, of 4524 S. King Dr. "You go in for a job interview and they tell you they can give you $2 an hour. Now what can you do with $80 a week these days? But when you say you want more money, they say you don't want to work."

Carl agreed. His unemployment checks amounted to $81 a week. But the problem was, there was no predicting when he'd receive them.

"You just can't depend on the checks getting to you," Carl said. "I got things I want to do. I want to get an apartment. I want to get married to my girl friend. I can't do any of that."

Sidd said Carl has the same problem he has; both men are unskilled.

"I look in the classified ads but there's nothing there. You got to have a special skill for those jobs," Sidd said. "The only skill I got was as a military policeman when I was in Korea in the Army, but I can't be a policeman."

So Sidd, who was laid off his job a year ago as a janitor at a metal removing company, said he was going back to school next month to learn to become an automobile mechanic.

It was inevitable that the unemployment benefits would run out soon for both men. And neither has any intention of going on welfare.

"I'm intending to be working before I get on welfare," Carl said. "That's a lady's thing."

"I want a job," Sidd said. "I'm a man. I like to own my own. I don't want nobody to give me nothing."

DEATH OF MRS. EARLE C. CLEMENTS

Mr. FORD. Mr. President, I was deeply saddened last week by the passing of a distinguished former First Lady of Kentucky, Sarah Blue Clements. She was the wife of a close personal friend, both of mine and many of my colleagues in the Congress, Senator Earle C. Clements.

Mrs. Clements died in this city a week ago today at the age of 82, and was buried this past Thursday in her native Morganfield, Ky. She was the beloved mother of Bess Clements Abell of this city, and the devoted wife of more than 49 years to one of Kentucky's most outstanding public servants who served his State and country as Governor, in the U.S. House of Representatives and in the U.S. Senate.

Throughout their life together, Mrs. Clements was the Senator's constant companion. Two years ago a day was held in his honor in Morganfield and, though his wife was unable to be with him because of ill health, he paid tribute to her this way:

> She is always at my side . . . When I try to use the pronoun "I" within myself it becomes "we" to include Sarah.

To Senator Clements and his family, I join with countless others in expressing my sincere and heartfelt sympathy.

AN ASSESSMENT OF NATIONAL POLICY PLANNING

Mr. HUMPHREY. Mr. President, a large body of current literature on the subject of national economic planning is being produced, stimulated at least in part by the Humphrey-Javits balanced growth and economic planning bill, S. 1795.

Many of the articles and essays are valuable and extremely insightful and deserve to be brought to the attention of my colleagues and I intend to do that by inserting them in the RECORD from time to time.

George A. Steiner wrote an article on the subject, entitled "Proposal for a Natitonal Policy Assessment and Action Program," which I believe merits attention.

Dr. Steiner is professor of management and public policy in the Graduate School of Management, University of California, and is also director of the Center for Research and Dialogue on Business in Society. He is widely known for his writings on economics and business and for his Government service.

In his article, Dr. Steiner discusses some of the shortcomings and changes that have taken place in corporate planning programs and, having written a recent book on the subject, he concludes that a number of principles and practices have evolved which can be used to avoid planning failures.

He then goes on to discuss planning in the public sector and I would like to quote the following passage from Dr. Steiner's article:

> We as a nation must be more skilled in identifying major problems that will appear in the future and in taking prompt action to deal with them. With the type of complex, turbulent and surprise-filled socio-economic-political system that is evolving, it would be disastrous for us to pursue our old policies of waiting until crises arrive and then trying to solve them by throwing money at them. We must engage in better long-range planning.

Mr. President, I could not have stated the rationale for establishing national economic planning procedures better or more concisely.

I ask unanimous consent that the article by Dr. Steiner which appeared in the September 5, 1975, issue of Planning Review, published by the North American Society for Corporate Planning, be printed in the RECORD.

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

PROPOSAL FOR A NATIONAL POLICY ASSESSMENT AND ACTION PROGRAM

(By George A. Steiner)

This article is concerned with four major propositions:

1. The next major thrust in long-range planning will come in the public sector, and is a thrust long overdue.

2. Over the past two decades we have significantly improved corporate planning in the private sector. We still have much to learn, but compared with the early efforts we are now high on the learning curve.

3. The fundamental lessons we have learned in the private sector in doing comprehensive long-range planning are applicable to the introduction, development, and success of aggregate integrated long-range planning in the public sector.

4. It is imperative that a dialogue begin immediately between practitioners of long-range planning in the private sector and those in the public sector who are directly involved in the development of this process. Both groups have much to learn from each other, but it is particularly important that those in the public sector be exposed to the first-hand experience of those in the private sector.

THE PAST TWENTY YEARS OF CORPORATE PLANNING

A few events converged some twenty years ago to stimulate the growth of what we today call corporate planning—the type of aggregate integrated long-range planning now pursued, in one form or another, in virtually every large, and many small, companies in the world. A major change in managerial philosophy was enunciated in 1956 by Ernest Breech, then Chairman of the Board of the Ford Motor Company, who said that a company like Ford was no longer helpless in the face of market forces. It could, in some degree, "make trends, not . . . follow them." [1]

The business climate was congenial to this idea. During World War II many business managers had participated in developing and managing a long-range planning process in the federal government. That was a highly successful effort, and the practical applicability of many of the processes to private operations was not overlooked by some of these managers. Also, both the size and number of very large companies had increased substantially in the several decades preceding the war, and leaders of these companies saw the need for some sort of comprehensive long-range planning system to facilitate management of their firms.

Another force stimulating long-range planning was the prospect that economic activity might expand at a reasonably stable rate in the future. Following World War II, thanks in part to the implementation of the Employment Act of 1946, the U.S. economy showed remarkably stable growth in contrast to past wild postwar gyrations. If economic conditions were stable, and not subject to sudden unexpected booms and busts, it was reasoned that comprehensive long-range planning was feasible.

As a result of such factors, many large corporations installed long-range planning systems. These early efforts too often had fatal flaws. For instance, the typical corporate planner found himself four or five tiers below the chief executive, lodged in a back room, and asked to make plans. Despite the ringing philosophy of Breech, top managers too often were reluctant to give the new idea much commitment and proceeded on their old intuitive planning paths without much reference to what the corporate planner was doing. I remember one case in which the planning department worked out a set of plans for the company and presented them to top management with elaborate showmanship in a lovely setting removed from company headquarters. After the show was over one top executive said: "That was just great. Now, let's all get back to our regular jobs." In these early days some people thought there was one best way to do long-range planning and promulgated a "cookbook" approach to do it. Many of us spoke glowingly of long-range planning as being a new tool, a new technique for management.

Corporate planning and corporate planners have matured a great deal since those early

[1] Ernest R. Breech, "Planning the Basic Strategy of a Large Company," *in* Edward C. Bursk and Dan H. Genn, Jr., eds., *Planning the Future Strategy of Your Business* (New York: McGraw-Hill, 1956), p. 17.

days. I no longer speak of corporate planning as a tool or technique, to help managers make better decisions. Today, corporate planning in the better run companies is inextricably interwoven into the entire process of management. It is fused in particular with the major functions of top management. Corporate planners are generally located very close to the chief executive and integrate the planning efforts of others rather than make plans. In the better managed companies long-range planning is done efficiently and effectively.

I am aware of some dissatisfactions with corporate planning, which I have noted elsewhere.[2] These are more the fault of poor management, however, than of the process of planning. For those companies that are not as happy as they should be with planning, I have good news. We really do know those fundamental principles, practices, techniques, and personnel interrelationships that will insure effective planning. We know what to avoid to prevent planning failures. These lessons of experience are available to public authorities and, in my judgment, must be understood if we are to have the planning success which is necessary in these turbulent times. The guides are there for those who will look.

NEW DEMANDS FOR AGGREGATE FEDERAL PLANNING

We as a nation must be more skilled in identifying major problems that will appear in the future and in taking prompt action to deal with them. With the type of complex, turbulent, and surprise-filled socioeconomic-political system that is evolving, it would be disastrous for us to pursue our old policies of waiting until crises arrive and then trying to solve them by throwing money at them. We must engage in better long-range planning.

In 1969 Adolf Berle, a respected thinker about business and government relationships, said that "the time is ripe for a system of national planning—possibly indicative planning like that now used by France."[3] At the present time there is a new flurry of demands for long-range planning in the federal government.[4] The Initiative Committee for National Economic Planning, for example, recommends that an Office of National Economic Planning be established in the White House. Senators Humphrey and Javits have introduced a bill in the Congress, in the form of amendments to the Employment Act of 1946, to provide for long-range national economic planning. Almost every day someone advances a new proposal.

These recommendations for long-range planning will undoubtedly generate widespread debate about long-range planning in the public sector. It is not clear precisely what all the proposals recommend, but in the debates the main thrust will be for some type of overall plan patterned after the French system. Before examining what our experience with corporate planning can lend to this debate. I will describe briefly the major characteristics of the French system.

SOME CHARACTERISTICS OF FRENCH-TYPE AGGREGATE PLANNING

The first French plan was launched in 1946 and was called the Plan of Modernization to indicate that its major aim was to repair the ravages of war. It was stimulated by the Marshall Plan for Europe. Since its inception there have been seven five-year plans, the seventh of which will begin in 1976.

In the successive plans there have been four different conceptions of purpose which have been mixed in varying combinations. These are:

To provide an understanding of alternatives open in using national income;

To specify the structure of production, growth changes in industries, and supply characteristics of the economy;

To lay out programs to correct problems such as transportation and energy; and

To describe conditions needed for full employment with stable prices and a favorable balance of payments.[5]

Planning begins with a gross national product (GNP) target objective. The GNP is then broken down into public consumption, housing, gross capital formation, and so on. Production levels and estimates of required investments in different sectors are then calculated by an input-output analysis. These estimates are given to commissions whose members are drawn from industry, labor, and government. Horizontal commissions are formed to deal with economy-wide matters such as finance, productivity, and manpower. Vertical commissions deal with industrial segments of the economy such as transportation, steel, and chemicals. Plans are integrated, and when a workable synthesis is achieved the results are presented to the Parliament for debate, following which the government approves the plans.

A number of features of this system are of interest to us here:

Plans are prepared for branches of economic activity and not for companies or products. General objectives are set, but individual companies are free to act as they choose.

Planning involves the efforts of thousands of experts from business, professions, government, and industrial associations.

Plans are implemented by a mixture of psychological, structural, institutional, legislative, and administrative methods.

Pierre Massé, a long-time President of the French Planning Commission, used to say that the plan was "less than imperative but more than indicative." The French began with indicative directions, then use persuasion, and then, if required, incentives for direct action. The government intervenes directly only when important imbalances appear to be imminent. Most of the implementation of plans rests on voluntary actions by decision-makers in both the private and public sectors.[6]

Managers of larger firms are influenced by the plans, especially in making their investment and financial decisions. Executives of smaller firms say their decisions are influenced little by the government's plans.

French planning has by no means been considered an unqualified success by observers. Overly ambitious targets induced excessive investment and price inflation in 1957–1958 and again in 1962–1963, for instance. On the positive side, however, the system has produced very useful information, an acceptance of the importance of planning, better communications among major groups about national problems, and improved economic and planning education for decision-makers. The French experience has been a "mixed bag."

APPLICABILITY OF FRENCH NATIONAL PLANNING TO THE UNITED STATES

The United States does not have a national aggregate integrated long-range plan, but it does have many long-range plans which are national in scope. For instance, the Park Service in the Department of the Interior has detailed long-range plans for our national parks. The Federal Aviation Administration has long-range plans for airport and traffic safety improvement. The Bureau of the Census has long-range plans for collecting statistics. Only during World War II did we have in this country anything approaching a national aggregate plan.

We need aggregate integrated planning in the United States, but at this time it should not be of the French type. The reasons for this are as follows:

1. It is highly probable that the type of communication among businessmen typified in the French planning system would be considered illegal in the United States. Our antitrust laws are quite explicit about competitor's discussing and planning to act cooperatively in their economic relationships.

2. The sheer size and complexity of the economy of the United States cautions against any attempt to encompass it all in an overall, integrated long-range plan which presumes to provide guidance for decision-making in both the private and public sectors. It may be useful to try to capture the entire economy in one grand model for statistical purposes, but to use such a model for operational decisions is quite another matter.

3. There are strong psychological aversions to this type of planning that will not easily be overcome. Many people, for instance, would see such planning as the first step toward some type of central government planning and would strongly resist it.

4. There are political and administrative issues that would inevitably create problems. For example, such planning would strengthen the executive branch in comparison with the legislative branch. It would also tend to shift power from executive administrators to staff experts.

5. Our economy is too dynamic for five-year plans to be made and adhered to. Goals established when plans are made may easily become quite unrealistic in the last year of the plan.

Since we need national long-range planning in the United States but the French-type planning is inappropriate, the question is: What should be done?

MAJOR LESSONS OF BUSINESS LONG-RANGE PLANNING EXPERIENCE APPLICABLE TO NATIONAL PLANNING

Before addressing this question, I want to comment on five major lessons of experience with corporate planning that should influence its answer. In presenting these lessons I recognize, on the basis of a number of years of my personal planning experience in both government and business, that there are very great dissimilarities between the planning environment of the federal government and that of even the largest companies in the private sector. There are, however, enough similarities to justify careful consideration of twenty years of experience with corporate planning.

It is also quite important to observe that whatever is done must clearly reflect understanding of these similarities and dissimilarities. The way the planning process is organized must be tailored to the unique characteristics of the federal government's structure, operation, and traditions as well as to the value systems and decision-making styles of dominant personalities in the government.

First, there must be a strong commitment by the President, his cabinet, and congressional leaders to the notion that long-range planning is necessary and that it should become an integral part of decision-making in government. As we learned in corporate planning, it is not enough for top management to be dedicated to long-range planning. Top administrators must convey to others in the organization the depth and strength of their commitment.

Commitment means many things, includ-

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[2] George A. Steiner, *Pitfalls in Comprehensive Long Range Planning* (Oxford, Ohio: Planning Executives Institute, 1972).

[3] Adolf A. Berle, Jr., "Second Edition/Corporate Power," *The Center Magazine*, January 1969.

[4] Russel E. Train, "Planning to Take Charge of Our Future," *The Conference Board Record*, May 1975.

[5] John Sheahan, "Planning in France," *Challenge*, March–April 1975.

[6] George A. Steiner, *Business and Society*, 2nd ed. (New York: Random House, 1975), pp. 397–399.

ing becoming involved in the planning process, assuring that the planning process is appropriate to the unique circumstance of the organization, allocating sufficient resources to do the job, and making current decisions on the basis of the plans.

Second, experience has taught us that organizations that create a planning system for the first time should "make haste slowly." Eating dinner in one gulp is likely to produce indigestion. We know that the introduction of a planning system into an organization is an event that brings many changes, not the least of which is an alteration of power relationships. Unless the introduction is performed carefully, cautiously, and circumspectively, it can easily create more problems than it solves and the planning system will, at best, be ineffective. Attempting to do too much too soon is a major pitfall to be avoided.

Third, before a long-range planning system is introduced into an organization top management must have a very clear understanding of the purposes of the system and of who is to do what and when. A plan to plan should be prepared. In government the tendency is to lay out a broad policy and then to evolve details in a sort of "muddling-through process." This is not the best way to proceed in launching a long-range planning system.

Fourth, great care should be taken to assure that concern over techniques does not divert planners and managers from the fundamental substantive purposes of planning. If this is not done, the manipulation of numbers becomes more important than their meaning; the process becomes encrusted with formal procedures and rituals. The exercise becomes pedestrian and, as a result, the creativity, innovation, and imagination needed for effective planning erode and disappear.

Fifth, the planning process must be continuous. When modern formal corporate planning first began in the United States, there was a tendency to make five-year plans and not to change them until it became clear that they needed revision. That policy did not work well. Now virtually all companies that have comprehensive formal planning systems evaluate them on a fixed cycle, usually once a year. This should also be the policy for any aggregate planning system introduced in to the federal government.

It is pertinent to note here that, with the exception of the last consideration, the collapse of the Program Planning Budgeting System in the federal government was due in very large part to the fact that each one of these criteria for effective planning was ignored. Some time ago, through an extensive mail survey, I sought to determine the major pitfalls which ought to be avoided if corporate planning was to be effective. The pitfalls discussed above were among the more significant ones identified by practitioners. I also asked respondents how happy they were with their planning systems. My study showed an almost perfect correlation between dissatisfaction with planning and entrapment in these pitfalls.[7]

WHAT SHOULD BE DONE?

If we should not create an aggregate integrated long-range planning system, what should we do? I suggest that we should limit our initial efforts to five areas of action, namely:

Hammering out national goals,

Undertaking a situation audit,

Laying out action programs in selected areas,

Developing better information for long-range planning, and

Developing a public planning consciousness.

NATIONAL GOALS

A primary and obvious task is to develop a set of national goals. President Eisenhower appointed a Commission on National Goals which made its report in 1960.[8] There never was before nor has there been since any comparable effort. The time has arrived to define major national goals and to do so on a continuous basis.

The first set of goals might be prepared by a Presidential Commission, but the function should be lodged in a permanent organization, preferably located in the Executive Office of the President. The goals should cover more than economic targets because our system has a multiplicity of goals that are interrelated. Such a set of aims, together with some estimates of priorities, would serve as a fundamental foundation for planning throughout government and in the private sector.

Major goals should, of course, be divided into subgoals. Care should be taken, however, not to define too many subgoals or to attempt to secure perfect coordination among all goals. As goals are defined more concretely at lower levels of abstraction, new conflicts will continue to appear.

The goals should be set only after public debate. In the process of goal formulation all major groups in society, including business, should be heard. The process of setting goals will stimulate useful national debate and the goals themselves will be used as valued guidelines by those doing planning both in the public and private sectors.

THE SITUATION AUDIT

In business planning making the so-called situation audit involves collecting and analyzing all data relevant to planning and to the identification of major opportunities and threats. It is essential that the areas for which data are to be accumulated, the type of data to be collected, and the depth of analysis to be devoted to specified data be carefully circumscribed. This is because not even the largest and wealthiest company can afford to examine in detail all information which might have a bearing on planning.

So it should be with government. The potential scope of data relevant in a comprehensive national long-range plan staggers the imagination. Hence the boundaries must be carefully defined. The first effort to prepare a situation audit should be narrow and modest.

SELECTED ACTION PROGRAMS

The next step in business planning, following the situation audit, is to choose those opportunities and threats which the company wishes to address. Strategies, policies, and detailed plans of action are then prepared to exploit opportunities and to avoid threats. Similarly, following the situation audit, public long-range planning should proceed to identify those major programs for which detailed plans should be prepared. Again, the scope should be selective rather than comprehensive. Areas such as energy, transportation, housing, productivity, and future raw material shortages should initially be selected for detailed planning. Areas of concentration will change from year to year, and periodically all program plans should be reviewed and modified in light of the changing environment. Plans developed at one point in time should not be expected to be applicable for many years. A one-year cycle may be too short for government; perhaps a two-year cycle would be better. There should also be a reasonable amount of integration among the program plans.

Making program plans is a critical step. In the past we have identified many major problems which subsequently arose. A number of studies, including the Paley Commission Report of 1952, identified the current energy problem.[9] Our problem in this country is not so much identification of problems as determination of what should be done about them when they are identified.

In the future we must agree on specific actions which should be taken to deal with selected opportunities and threats. Again, first efforts should be modest in number and scope.

DEVELOPMENT OF BETTER INFORMATION FOR PLANNING

There is no nation in the world that collects more comprehensive, detailed, and illuminating data about its activities than the United States. Yet there are many gaps in both the availability of needed data and the development of techniques to improve the use of data in planning. For instance, during the energy crisis last year the federal government was embarrassed by the paucity of information it had about the energy industry. In dealing with the recession in early 1975 the government found it had insufficient information about business inventories. Our gross national product measure and our cost of living index are not as reliable as they should be.

There should be an assessment of data needs for better planning and a gradual strengthening of our data base. Here again we should proceed with caution, for data accumulation is expensive and, when poorly conceived, can create all sorts of problems in and out of government.

NEED FOR PLANNING CONSCIOUSNESS AND PARTICIPATION

Even the comparatively modest effort outlined above will not succeed without the development of a new planning consciousness throughout society. We shall be unable to deal with the complex problems of this society without a much better understanding of the meaning and need for long-range planning in the public sector.

A planning consciousness is needed to gain widespread participation in any national planning effort. Not only must there be participation in the process by leaders and staff in the Congress and the executive branch, but there must be citizen participation as well.

Furthermore, planning of an appropriate nature must be pushed down through lower levels in the federal government as well as in state and local governments. Large corporations with diverse and decentralized operations learned long ago that the best results in planning are achieved when planning is decentralized and done on the basis of broad guidelines from central headquarters. Here again government can and should learn from the experience of the private sector.

In the public sector, as in the private sector, it is crucial that new mechanisms be invented to follow these prescriptions in such a fashion as to improve rather than restrain progress in planning. With unimaginative and routine planning processes it is easy to hobble the planning effort.

Among other reasons for the development of a planning consciousness and widespread participation is that we must not allow national planning to be performed exclusively by an elitist group. Only by the leavening influence of many participants, officials and laymen, will the major dangers inherent in national government planning be avoided.

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[7] George A. Steiner and Hans Schollhammer, "Pitfalls in Multi-National Long-Range Planning," *Long Range Planning*, April 1974.

[8] *Report of the President's Commission on* National Goals (New York: The American Assembly, Columbia University, November 1960).

[9] *Report of the President's Materials Policy Commission* (Washington, D.C.: Government Printing Office, 1952).

PLANNING VERSUS NATIONAL POLICY ASSESSMENT AND ACTION PROGRAM

Throughout I have used the word planning, unfortunately, planning is a pejorative word when applied to federal socio-economic activities. There are many reasons for this, not the least of which is the fact that thirty to forty years ago we witnesses the rise of national economic planning systems around the world to strengthen the hands of dictators. Planning became associated with dictatorial governments which functioned in ways quite contrary to our views of the role of government. Because of such deep-seated antipathy to the word planning when applied to government, I suggest that it be discarded and other words be found to describe the process we are talking about here, namely the phrase National Policy Assessment and Action Program. This phrase highlights the fact that it is national policy with which we are concerned. It says, also, that we are not alone concerned with assessment but also with action programs.

THE ROLE OF CORPORATE PLANNERS

Whatever is done to improve national long-range planning in the public sector will be significantly improved if the lessons painfully learned about long-range planning in the private sector are understood and applied. For this reason I propose that a series of dialogues begin between corporate planners and those in the federal government concerned with developing and using a national integrated long-range planning system. I do not have in mind conferences in which each group lectures to the other. Rather, I proposed working sessions in which participants deal with the many problems and issues associated with long-range planning in government.

I do not have in mind a continuous dialogue among the same individuals. This might be acceptable, but I think there are enough different problems and issues to tax the minds of many people in and out of government. So I suggest a somewhat loosely coordinated series of dialogues involving many people in the public and private sectors.

I do not see these conferences as dealing with substantive matters. Rather, discussion should be concerned with techniques, procedures, lessons of experience in organizing the process and in executing it, and matters related to systems operations.

CONCLUSION

I know of no more pressing problem in the United States than that of developing the capability to identify problems that lie ahead and to implement plans to deal with them. There is no reason why we cannot do this. A comprehensive aggregate integrated long-range national plan is not at this time the preferred approach, but we should begin to develop a more selective aggregative approach. In this process the lessons of corporate planning in business can have valuable applicability to government. In this endeavor corporate planners can make a significant contribution by engaging in continuous dialogue with government officials until the program is perfected.

RADIATION IN THE U.S. EMBASSY IN MOSCOW

Mr. ROBERT C. BYRD. Mr. President, I have today written Secretary of State Henry Kissinger, urging that the Soviet Union be denied permission to build a new embassy in Washington until the Soviets halt their radiation bombardment of the U.S. Embassy in Moscow.

This has been a matter of growing concern in recent weeks, and, as recently as Saturday, February 28, a comprehensive article on the Soviet's unconscionable actions appeared in the Washington Post.

I ask unanimous consent that the article and a copy of my letter to Secretary Kissinger be printed in the RECORD.

There being no objection, the article and the copy of the letter were ordered to be printed in the RECORD, as follows:

MORALE LOW AT MOSCOW EMBASSY

(By Peter Osnos)

Moscow, February 27.—American diplomats in Moscow have written a "very strong" letter to top State Department officials demanding to be told the full extent of the radiation problem at the embassy here and whether it represents a serious health hazard, sources said today.

Morale in the embassy, one of the largest and most important American posts abroad, has plummeted since reports of the radiation began to circulate three weeks ago, the sources said. Although employees have been briefed, a full explanation of the situation including its causes and its dangers has been withheld.

The letter was drafted last week by the local branch of the American Foreign Service Association and was intended for Secretary of State Henry A. Kissinger. At the request of senior embassy officials, only a copy of the letter was sent to Washington with the original going to Ambassador Walter J. Stoessel.

"People are incensed," said one of those responsible for preparing the letter. So far no response has been received and further action—including possible legal action—is being considered.

At the outset, the impression given to embassy employees was that the radiation was caused solely by Soviet surveillance equipment which included microwave beams focused on the embassy. There have been reports from Washington this week, however, that the purpose of the Soviet radiation was to block American eavesdropping.

In any event, the true story is apparently known to very few people in the embassy, perhaps only Stoessel himself. Kissinger is responsible for the way the matter is being handled, it is understood, and he has stressed on several occasions that it is highly sensitive. He said that "discussions" are under way to solve the problem.

Since Monday, Sam Zweifel, a State Department physician, has been in Moscow performing blood tests on all embassy personnel and their families. It is not clear whether these tests were precipitated by discovery of specific problems at the embassy, as a report from Washington today suggested, or are simply a precaution.

One explanation for Dr. Zweifel's presence is that the regular embassy physician, Thomas Johnson, is on a vacation that was postponed when the radiation issue surfaced.

[In Washington, the State Department said it has sent a medical technician to Moscow to conduct blood tests on U.S. embassy personnel who may have been exposed to the microwave emissions. William Watson, the department's medical director, said: "The medical division has found no medical problems that it believes to be related to the situation at the embassy."]

The report from Washington also said that Stoessel suffered from anemia, which may have been aggravated by the radiation here. The embassy has already denied an earlier report that Stoessel is ill, but the ambassador refused to comment on today's report, he did deny that he plans to leave Moscow for reassignment. Stoessel has been here for two years.

At earlier briefings and again today, embassy officials strongly implied—but did not say directly—that there appears to be no great danger from the radiation to people living in or working at the embassy. But the uncertainty is apparently beginning to have its effect on some embassy personnel and their families.

"We have a need and a right to know what this is all about," said one angly American. "How long is this going to continue?"

U.S. PAID WIDOWER IN RADIATION CASE

The United States compensated the husband of a woman who died of cancer in 1969 after she had been exposed to microwave emissions at the American embassy in Moscow, informed sources said yesterday.

The sources said the woman developed a mole on her face while working as a secretary from 1960 to 1962 in a part of the embassy exposed to microwave emissions believed to be from Soviet radio jamming devices.

The mole developed into melanoma—a usually malignant tumor—and the woman, for whom the sources requested anonymity, died in 1969.

Her husband applied for compensation from the government on the grounds that her death may have been caused by her exposure to microwaves beamed at the embassy, the source said. His claim, for less than $10,000 in lost wages, was honored.

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, D.C., March 1, 1976.

Hon. HENRY A. KISSINGER,
Secretary of State, Department of State, Washington, D.C.

DEAR MR. SECRETARY: I am greatly disturbed at the reports of microwave radiation bombardment of our embassy in Moscow by the Soviet KGB. Such conduct is appalling by any diplomatic standards. I urge you to stop efforts currently underway permitting the Soviets to build a new embassy in Washington until this unconscionable action ceases.

The U.S. intelligence community has been subject to a constant barrage of media criticism over the last several months. Some of the information which revealed instances of wrongdoing by U.S. intelligence officials should have been made public in order to prevent future illegal operations. However, the sensationalist attitude which tried to portray legitimate U.S. intelligence operations as vile and morally reprehensible is misleading and potentially damaging.

I would be more reassured if, on the other hand, the true extent of Soviet spying in this country were as well publicized as are operations of U.S. intelligence officials. I am sure the American public would be appalled if the daily activities of Soviet spies—diplomatically disguised as trade, cultural, and press representatives—were exposed.

In this light, I was shocked when I learned of the Soviet spying on our embassy in Moscow with microwave radiation. Since the embassy houses hundreds of American officials and their families, the dangerous radiation is potentially harmful to their health and welfare. Under the cloak of "detente", the Soviets are placing American lives in jeopardy. Such wanton disregard for human safety and health cannot be condoned.

To allow the Soviets to continue such nefarious spying techniques is totally unacceptable. Immediate action must be taken to communicate to the appropriate high Soviet officials the repugnance expressed by many Americans concerning this distasteful episode.

On the floor of the Senate I have already expressed my feelings on this latest spying technique of the Soviet KGB. I have urged that the U.S. take action to halt efforts currently underway which would allow the Soviets to construct their much desired new embassy.

The Soviets' reprehensible actions are

cause for serious reconsideration over this country's policy of detente. Any nation which willingly subjects American officials and their families to possible virulent radiation exposure does not deserve special consideration under the loosely defined terms of detente.

With best wishes.

Sincerely,

ROBERT. C. BYRD,
U.S. Senator.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

OKLAHOMA SENATORIAL CONTESTED ELECTION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 572, Senate Resolution 356, and that it be laid before the Senate and made the pending business.

The ACTING PRESIDENT pro tempore. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 356) relating to the Oklahoma senatorial contested election.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

RECESS UNTIL 2 P.M. TODAY

Mr. MANSFIELD. Mr. President, in view of the fact that the Committee on Rules and Administration has been meeting all morning and is meeting through the lunch hour in an effort to report a bill affecting the future of the Federal Elections Commission, I ask unanimous consent that the Senate at this time stand in recess until the hour of 2 p.m. today.

There being no objection, the Senate, at 12:29 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. DOLE).

ORDER FOR ADJOURNMENT UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR GARY HART AND SENATOR ROBERT C. BYRD AND FOR A PERIOD FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the completion of any other special order for which permission has already been entered on tomorrow, Mr. GARY HART be recognized for not to exceed 15 minutes, after which I be recognized for not to exceed 15 minutes, after which there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RESUMPTION OF UNFINISHED BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the conclusion of routine morning business tomorrow, the Senate resume consideration of the unfinished business.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF SECTION 142 OF TITLE 13, UNITED STATES CODE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House of Representatives on H.R. 7824, that the bill be considered as having been read the first and second times, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER laid before the Senate H.R. 7824, an act to amend section 142 of title 13, United States Code, to change the date for taking censuses of agriculture, irrigation, and drainage, and for other purposes.

The PRESIDING OFFICER. Without objection, the bill will be considered as having been read twice by title; and without objection, the Senate will proceed to its consideration.

The bill was considered, ordered to a third reading, read the third time, and passed.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will meet at the hour of 12 o'clock noon tomorrow. After the two leaders or their designees have been recognized under the standing order, Mr. STONE will be recognized for not to exceed 15 minutes, after which Mr. GARY HART will be recognized for not to exceed 15 minutes, after which Mr. ROBERT C. BYRD will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes; at the conclusion of which period the Senate will resume consideration of Senate Resolution 356, a resolution relating to the Oklahoma senatorial contested election.

Mr. HATFIELD. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. HATFIELD. As I understand the Senator, the leadership has laid before the Senate the Oklahoma contest, which was initially expected to be taken up at 2 o'clock today. With the problems of the Committee on Rules, do I understand now that it will be the first order of business following the morning hour on tomorrow?

Mr. ROBERT C. BYRD. Yes.

Mr. HATFIELD. I wish to let the leadership know that I feel that perhaps we are getting ourselves into somewhat of a difficult thicket. We are putting great priority, as we should be, on problems related to the Federal Election Commission. That is under some very strict time frame. I believe there was introduced or will soon be introduced the question relating to setting up of an intelligence oversight committee. That, too, will have great priority. I wonder if the Senator could respond to this particular circumstance I outlined as it relates to taking up the Oklahoma contest as of tomorrow?

Mr. ROBERT C. BYRD. Only to say that, as was announced last week, it is the intention of the leadership to move to take up the disputed Oklahoma election contest today. It is before the Senate and it would be the intention of the leadership on tomorrow to resume consideration of that question.

Mr. HATFIELD. I understand.

Mr. President, I should like to put the Senate on notice now that I am certainly flexible on the matter of the time schedule for the Oklahoma contest to be considered by the full Senate. I feel there is certainly great priority on reconstituting the Federal Elections Commission and setting up an intelligence oversight committee.

I want to put the Senate on notice that I am not going to be pressured by these two priority bills that will be coming before this floor to cut short the necessary time that may be required to consider the Oklahoma contest. I have a feeling we are kind of in front of a big freight train here. Somehow we hear this train coming down the track, a freight train with the matters of the Federal Elections Commission and an intelligence oversight committee. I am not ready to jump the track to make ready for the train merely because it is coming down the track. I want to give due notice that, under no circumstance, at least as the manager of the minority side on the Oklahoma contest, will I be steamrollered or will I be pressured to bring the debate to a close or engage in any kind of time agreement, merely because we have these greater priorities stacking up behind us. I want to raise this before we get into Oklahoma so that the Senator will have clear notice that I am willing to cooperate with the leadership in any way possible to handle all these matters expeditiously. I just do not want to be put in the position of their saying, "We have a time limitation on reconstituting the Federal Elections Commission, it has greater national priority than the Oklahoma contest; therefore, we would like to have you enter into some kind of time agreement because of the priority of these other bills."

I think I made it very clear, throughout the entire committee period of discussion of this matter, and also on the floor, in December that, in my estimation, unless there is some way to reach some kind of agreement or understanding prior to taking up this case, we may be engaged in a very long discussion. I just do not want to be put in the position of then being charged with delaying

the business of the Senate or of important bills that have stacked up behind Oklahoma.

Mr. ROBERT C. BYRD. Mr. President, I do not know of anybody who is going to charge the distinguished Senator with such. The intelligence oversight matter has been reported from the Committee on Government Operations. It has now gone to Rules, where the Committee on Rules will have something like 20 days in which to consider that matter. So I do not believe that that subject is going to be before the Senate within the next 3 weeks.

As to the Federal Elections Commission legislation, that is just being marked up in the Committee on Rules this afternoon and I do not believe that the Senate will be taking that up, in any event, certainly in the next day or so. I believe that the distinguished Senator from Oregon will have ample time in which to enlighten the Senate as to his views on the Oklahoma election. I do not have a feeling that the intelligence oversight matter is going to be coming along for at least 3 weeks, so I can assure the Senator that no charges are going to be leveled at him, so far as I am concerned, or the leadership on this side.

Mr. HATFIELD. I appreciate the comments of the distinguished assistant majority leader. I only call to mind that it was our expectation that the New Hampshire election matter would be handled in a very brief period of time. I recall that those events did not develop along that line. I just wanted to be in anticipation of circumstances that I visualized could occur and I merely wanted to make a record at this time. I appreciate the comments made by the distinguished Senator from West Virginia.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 12 o'clock noon tomorrow.

The motion was agreed to; and, at 2:10 p.m., the Senate adjourned until Tuesday, March 2, 1976, at 12 meridian.

NOMINATIONS

Executive nominations received by the Senate March 1, 1976:

DEPARTMENT OF STATE

Frederick Irving, of Rhode Island, a Foreign Service Officer of Class one, to be an Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs.

DEPARTMENT OF THE INTERIOR

William L. Fisher, of Texas, to be an Assistant Secretary of the Interior, vice Jack W. Carlson, resigned.

IN THE AIR FORCE

Francis Hughes, of South Carolina, to be an Assistant Secretary of the Air Force, vice William W. Woodruff, resigned.

DEPARTMENT OF TRANSPORTATION

Philip Allison Hogue, of Virginia, to be a member of the National Transportation Safety Board for the remainder of the term expiring December 31, 1978, vice Louis M. Thayer.

IN THE FOREIGN SERVICE

The following-named person for reappointment in the Foreign Service as a Foreign Service Officer of Class four, a Consular Officer, and a Secretary in the Diplomatic Service of the United States of America:

William R. Brew, of New Jersey.

For appointment as a Foreign Service Officer of Class four, a Consular Officer, and a Secretary in the Diplomatic Service of the United States of America:

James J. Reilly, of Maryland.

For appointment as a Foreign Service Information Officer of Class four, a Consular Officer, and a Secretary in the Diplomatic Service of the United States of America:

Sylvia Beatrice Rifkin, of the District of Columbia.

For promotion from a Foreign Service Officer of Class six to Class five:

Thomas M. Widenhouse, of Illinois.

For appointment as Foreign Service Officers of Class five, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Robert Joseph Carlson, of Iowa.
Robert J. Chevez, of California.
Arlene Render, of Ohio.

For promotion from Foreign Service Officers of Class seven to Class six:

Alvin H. Chin, of Texas.
Alan P. Larson, of Iowa.

For promotion from Foreign Service Information Officers of Class seven to Class six:

David L. Arnett, of Louisiana.
William C. Dawson, Jr., of Kentucky.
Don Reed Hamilton, of Oklahoma.
Alfred Haworth Jones, of Minnesota.
John T. Ohta, of Tennessee.
Ralph H. Ruedy, of Iowa.
Arthur L. Skop, of Maine.

For promotion from a Foreign Service Information Officer of Class eight to Class seven:

Rose Susan Berstein, of Rhode Island.

For appointment as Foreign Service Officers of Class seven, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Joseph M. Chudzik, of New Jersey.
Jo Ann Hardee Collinge, of Florida.
Jerry V. Cook, of Texas.
Margaret deF. Dennis, of Maryland.
Robert J. Featherstone, of the District of Columbia.
J. Philippe Grégoire, of Virginia .
Anne M. Hackett, of California.
Donald B. Harrington, of Pennsylvania.
Paul F. Hurley, of Massachusetts.
Bruce W. Keeling, of Michigan.
Allen James Kepchar, of Indiana.
Julien LeBourgeois, of the District of Columbia.
Randall R. LeCocq, of New Mexico.
Jean Anne Louis, of Michigan.
Cheryl A. McDonald, of California.
Joseph R. McGhee, of Pennsylvania.
Thomas J. McMahon, of Indiana.
Richard A. Megica, of Florida.
Thomas Joel Miller, of Michigan.
Christine Shelly Monroe, of Kentucky.
Thomas J. Morgan, of California.
Thomas F. Opila, of Virginia.
John Malcolm Ordway, of California.
Mary C. Pendleton, of Kentucky.
Angel M. Rabasa, of Florida.
R. Ross Rodgers, of Washington.
Robert A. Sarofeen, of Virginia.
Charles R. Schwarck, of Pennsylvania.
Stuart J. D. Schwartzstein, of New Jersey.
Stephen T. Smith, of Nebraska.
Yvonne Frances Thayer, of California.
Stephen H. Thompson, of Arizona.
David G. Wagner, of Pennsylvania.
Neal A. Waldrop III, of Michigan.
Torrey Stephen Whitman, of Pennsylvania.

For appointment as Foreign Service Information Officers of Class seven, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Jeremy F. Curtin, of Virginia.
Daryl A. Daniels, of Illinois.
Alice C. LeMaistre, of Alabama.
Marshall R. Louis, Jr., of New York.
Nicholas Mele, of New York.
David E. Miller, of Pennsylvania.
Priscilla Coit Murphy, of Virginia.
Ray Orley, of California.
Nancy Elaine Rusinko, of Rhode Island.
Pamela H. White, of Massachusetts.

For appointment as Foreign Service Officers of Class eight, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Gary Roy Alexander, of California.
John H. Andre II, of Michigan.
Lewis R. Atherton, of the District of Columbia.
Carolyn H. Ervin, of California.
Carolyn I. Heskin, of North Dakota.
Kenneth R. Jernigan, Jr., of Virginia.
Marianne Matuzic Kunkel, of New York.
Michael A. Leu, of Missouri.
Thomas A. Lynch, Jr., of Maryland.
Allen E. Nugent, of New Jersey.
Lawrence George Rossin, of California.
Joseph A. L. St. John, Jr., of Florida.
Curtis A. Stone, of Washington.
David Dale Trechter, of California.
Steven J. White, of Georgia.
Mark W. Willis, of Massachusetts.
Joseph Charles Wilson IV, of Washington.

For appointment as Foreign Service Information Officers of Class eight, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Anne M. Chermak, of Pennsylvania.
Lynne E. Hart, of California.
Jennifer E. Newton, of Pennsylvania.

Foreign Service Reserve Officers to be Consular Officers of the United States of America:

John D. Manuel, of Florida.
Robert W. Robinson, of Tennessee.

Foreign Service Reserve Officers to be Consular Officers and Secretaries in the Diplomatic Service of the United States of America:

Igor N. Belousovitch, of Virginia.
Gloria E. Bozeman, of Illinois.
Richard D. Calder, of Virginia.
Gwen C. Clare, of Maryland.
Robert A. Dishaw, of Washington.
Michael B. Doyle, of California.
Cheryl A. Gregory, of Maryland.
Thomas L. Lauer, of Virginia.
Alphonso G. Marquis, of New York.
Imogene G. McCloud, of Massachusetts.
James L. McJimpsey, of South Carolina.
William D. Murray, of Virginia.
Sterling Persons, of Illinois.
Sally A. S. Sandberg, of California.
Jan L. Wentworth, of Virginia.
Mary L. Williams, of Montana.

Foreign Service Reserve Officers to be Secretaries in the Diplomatic Service of the United States of America:

R. Dennis Jones, of Ohio.
John B. L. Manniello, of New York.
Gordon B. Ramsey, of Utah.
Robert M. Smalley, of Virginia.
Thomas Vrebalovich, of California.
Garnett A. Zimmerly, of Virginia.

Foreign Service Staff Officers to be Consular Officers of the United States of America:

Barbara M. Johnson, of Massachusetts.
Janet Petronis, of New Jersey.

IN THE MARINE CORPS

The following named officer of the Marine Corps Reserve for temporary appointment to the grade of brigadier general.

Robert S. Raisch.

IN THE NAVY

The following named officers of the Navy for permanent promotion to the grade of rear admiral:

LINE

James W. Montgomery
John A. Walsh
Lee W. Fisher
Thomas J. Hughes, Jr.
Earl B. Fowler, Jr.
Frederick F. Palmer
Kent J. Carroll
William D. Robertson, Jr.
Claude P. Ekas, Jr.
Norman K. Green
Robert B. McClinton
Albert J. Monger
Murray C. Cook
John H. Alvis
John C. Dixon, Jr.
Donald P. Hall
James B. Linder
Lucien Capone, Jr.
Richard E. Nicholson
Arthur K. Knoizen
Roy D. Snyder, Jr.
Paul H. Speer
Sylvester R. Foley, Jr.
William P. Lawrence
Edward W. Carter, III
Gerald E. Thomas
Bobby R. Inman
Hugh A. Benton
Steven A. White
Robert W. Chewning
"M" Staser Holcomb

SUPPLY CORPS

Leroy E. Hopkins
Ralph H. Murphy, Jr.
Edward M. Kocher

CHAPLAIN CORPS

Withers M. Moore

IN THE ARMY

I nominate the following-named officials for temporary appointment in the Army of the United States to the grade indicated, under the provisions of Title 10, United States Code, Sections 3442 and 3447:

To be brigadier general

Col. George E. Marine, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Donald W. Connelly, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Louis C. Wagner, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Arthur J. Junot, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. David K. Doyle, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Orlando E. Gonzales, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Joseph T. Palastra, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. John S. Blair, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. James H. Mapp, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Charles T. Lynn, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Hugh J. Clausen, [redacted], U.S. Army.

Col. Howard F. Stone, [redacted], Army of the United States (major, U.S. Army).

Col. Maxie O. Redic, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Thomas P. Lynch, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Ransom E. Barber, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Norman G. Delbridge, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Fred K. Mahaffey, [redacted], Army of the United States (major, U.S. Army).

Col. Charles W. Dyke, [redacted], Army of the United States (major, U.S. Army).

Col. John P. Casey, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert S. McGarry, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert W. Sennewald, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Drake Wilson, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. James J. Lindsay, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. William C. Moore, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Charles W. Bagnal, [redacted], Army of the United States (major, U.S. Army).

Col. Charles E. Graves, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Richard S. Sweet, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert H. Foreman, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. James H. Patterson, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Paul F. Pearson, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. William K. Hunzeker, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Joseph H. Kastner, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Corey J. Wright, [redacted] U.S. Army.

Col. Frank P. Ragano, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Emmett Paige, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Theodore S. Kanamine, [redacted], Army of the United States (major, U.S. Army).

Col. Michael N. Bakarich, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Jeremiah J. Brophy, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Frank J. Palermo, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Dan H. Williamson, Jr., [redacted], U.S. Army.

Col. Richard M. Wells, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. James S. Welch, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Benjamin E. Doty, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Archie S. Cannon, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. David W. Einsel, [redacted] U.S. Army.

Col. Theodore G. Jenes, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Richard X. Larkin, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Tommie G. Smith, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Richard D. Boyle, [redacted], Army of the United States (lieutenant colonel, U.S Army).

Col. Allen M. Goodson, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Vaughn O. Lang, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert L. Herriford, Sr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert B. Solomon, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

IN THE COAST GUARD

The following graduates of the Coast Guard Academy to be permanent commissioned officers in the Coast Guard in the grade of ensign:

Geoffrey Lee Abbott
John Clark Acton III
Scot Alan Addis
Jerome James Amend
Glenn Wesley Anderson
Michael DuWayne Anderson
John Astley
Steven Keith Barker
David Richard Bean
David Wayne Beard
Lawrence Joseph Bowling
Jerrold Arthur Browne II
William Lawrence Bryant
Wayne Rydquest Buchanan
Jeffrey Scott Buehler
Glenn Craig Burkert
Richard Thomas Burton
James Edward Bussey III
Diosdado Tirol Cabrera
Raymond George Cardwell
John David Carpenter
William Thomas Carraher
John Edward Carroll
Philip Centonze
James Donald Chambers
Gary William Chappell
Raymond John Christian
Thomas Clay Christian
Patrick Edwin Clancy
Evan B. Clark
David Scott Cline
Thomas Joseph Coe
Matthew Scott Compton
Bruce Baldwin Connell
Brian Pierce Cost
Daniel Roland Cox
Carl Andrew Crampton
Michael John Cronin
Kenneth J. Guite
Scott Eugene Davis
Steven Morgan Day
James Wade Decker
Dennis Wayne Del Grosso
Stanford William Deno
William Fred Diaduk
Surran Drew Dilke
Paul Laurence Doherty
Gregory Jon Edge
Lon Norris Elledge
Jay Cranmer Ellis
Milton Hayden Ennis
James E. Evans
Eric Norman Fagerholm
Thomas Grant Falkenstein
Louis Marion Farrell
William Jay Fasel
David Eugene Ferg II
John Stanford Fetterolf III
Erik Jorg Fiske
Patrick Eugene Flanagan
Douglas Edward Fluddy
Albert David Franzone
Alan Richard Freedman
James Franklin Freeman III
Joel Dennis Fujiwara
Robert Ellige Garrett
Harold Burton Gastler
Glenn Edward Gately
Paul Richard Gauthier, Jr.
John Anthony Gentile
Steven Bruce Gerke
Dennis Charles Gibbons
Scott Joseph Glover
John Kevin Grady
Thomas Edward Graf
Anthony Grande

Douglas Frank Grebe
Christopher John Gregus
Asher Benson Grimes
Michael Keith Grimes
Edwin C. Guffy
Glenn R. Gunn
Thomas Emil Haase
Theodore Peter Albrecht Haenlein
Joseph Andrew Halsch
Arthur Herman Hanson, Jr.
James Patrick Harmon
Albert Wilson Hartberger II
James Matthew Hasselbalch
Douglas P. Heatherly
Arn M. Heggers
Dewey Lee Hemba
Jay Elden Hess
Patrick Brian Higbie
Peter James Hill
James Clarence Hillerns
Charles Michael Hince
Eric Arthur Hiner
Robert Joseph Hoey III
Everette Wayne Hollingsworth
Albert William Horsmon, Jr.
David Auld Howell
Jeffery John Huhn
Brian J. Hunt
David H. Hylton
Richard Rayne Ingels
Stephen Marion Jacob
Gary Lee Jacobsen
James Otis Jaczinski
John Joseph Jaskot
Mark Henry Johnson
Steven Eric Johnson
Ronald H. Jones
Terrence Charles Julich
Gilbert J. Kanazawa
Steven Francis Kane
Michael Benjamin Karr
David Martin Keen
Richard Rowan Kelly
Mark Stephen Kern
Paul David Kirkpatrick
Richard Alan Klein
John Michael Krupa
Stephen Joseph Krupa
David Lewis Kuzanek
James Richard Lachowicz
Theodore Frank Lagergren
Robert Francis Lallier, Jr.
Donald Russell Lamb
Edward Albert Lane
Paul Andrew Langlois
David Roy Lawrence
Ricardo Ledesma
Ralph Edward Leighton
Marion J. Lewandowski
Grover Neal Lipe, Jr.
Ivan Talmadge Luke, Jr.
Edwin T. Lynch
Floyd Gabriel Lyssy
Gregory John MacGarva
Robert T. Majewski
Theodore Louis Mar
Kevin L. Marshall
Charles Patrick McCabe III
Timothy Lee McCarty
Jeffrey Alan McDannold
James Anthony McDonough
Robert William McGarry
John Compton Miller
Richard Keith Miller
Paul Arthur Milligan
Jeffrey Steven Mollar
James Robert Mongold
William Derwood Morris
Hal Matthew Mueller
James Francis Murray
Robert Francis Murray
Carl Motoyoshi Nagata
William Joseph Nash
Paul Thomas Neiswander
Eric Raymond Ness
Thomas Alan Nies
Richard William Norris
Frederick Albertus Nyhuis, Jr.
Patrick Michael O'Connor
Alexander Johnson Ogg, Jr.
Arthur Stephen Olsen
John H. Olthuis
James Joseph Orgill
Larrey Arnold Owens
John Randolph Peiffer, Jr.
James Butler Pennewell, Jr.
Joseph Francis Pepe
Craig Dean Peterson
William Wade Peterson, Jr.
Richard Daniel Poore
William John Probert
Michael James Quigley
James Thomas Quinn
Peter Lee Randall
Marshall Scott Reichenbaugh
Thomas Roman Reilly
John Mark Richards
Mark William Richardson
Eric John Rosenbluth
Richard Lukens Rosseau
Samuel Thomas Roudebush
Timothy Michael Rubert
Gary Stephen Scheer
William Joseph Schmitz
Dale Kenneth Schulz
Michael Raymond Shevock
Gene Paul Shriver
Mark Hale Simpson
Alan David Sine
Robert James Slye
Arthur Halsey Smith
Daniel Griffing Smith
Kevin C. Smith
Norman Craig Smith
Robert George Smith
Shawn Matthew Smith
Raymond Haley Smoyer, Jr.
Michael Ray Snider
Robert Douglas Snowball
Michael Scott Sommers
Marc Nicholas Stagliano
James Walter Stark
Robert James Steinhoff
Jeffrey J. Steuer
David Eric Sevens
Albert Rivington Stiles, Jr.
Richard Lee Stoppa II
Larry Glenn Sultze
Douglas Scott Taggart
Jeffery Joseph Tarr
John Richard Thacker
James S. Thomas, Jr.
Gerald L. Timpe
Garrett Jon Tirpak
Brian Brooks Tousley
John Nelson Trimble
Wayne Roland Troxler
Loren Paul Tschohl
Ross L. Tuxhorn
Thomas Joseph Vanak
David Elliot VanPatten
David John Visneski
Richard A. Volkmann
Thomas Robert Vorhort
John Edward Wachter
Jeffry Gardner Way
Edward Dennis Welch
Calvin E. Weyers
Christopher Aaron White
Terry T. White
David Glenn Wilder II
Kim R. Wilhelm
James Dennis Williamson
Glenn Allen Wiltshire
Timothy Slade Winslow
Stephen Paul Wolf
Daniel Richard Wrentmore
Robert Thomas Wright
Stanley Andrew Zdun, Jr.
John Andrew Zedella

The following regular officer of the U.S. Navy to be a permanent commissioned officer in the regular Coast Guard in the grade of lieutenant (junior grade):

Dennis N. Herbert

The following-named officers of the Coast Guard for promotion to the grade of lieutenant:

Thomas X. Worley
William J. Gamble
Joseph T. Kuchin
Alan L. Klingensmith
Richard D. Phillips III
Timothy J. Flanagan
David L. Edwards
Robert W. Slack
David L. Robinson
Charles R. Mumford
Roger L. Haskell
David M. Donaldson
Harrison F. Deitrick
Harry A. Vaughan
Joseph J. Fontana
Terry L. Lott
James D. Manclark
Barry E. Erickson
William A. Dickerson III
James H. Williams
Edward G. Webb
Lawrence H. Walter
Alexandre Legault
James L. McClinton
Charles W. Belsky
Edward M. Howey
Michael J. Haucke
Mark E. Charbonneau
Bernard P. O'Brien, Jr.
Jerry W. Degan
Gaetano Martini
Edward N. Spencer
Douglas R. Halsey
William E. Hensley
Robert A. Taylor
Jon A. Thulin
James W. Cratty
Raymond K. Kostuk
Laird N. Hall
Gordon N. Hanson
John J. A. Murray, Jr.
John T. Sugimoto
Dennis G. Beck
Steven C. Borloz
Benjamin J. Stoppe, Jr.
Larry R. Gansz
Richard R. Mead
Gary L. Frago
Patrick M. Stillman
Dennis M. Egan
Penn F. Shade
David A. Rogers
Bienvenido Abiles
Winston S. Jones
Thomas P. Dolan
Jeffrey A. Hibbitts
Gary B. Coye
Richard A. Knee
Stephen R. Osmer
James W. Norton
Bruce E. Melnick
William R. Armstrong
Robert W. Zider
Charles F. McCarthy, Jr.
Marlin L. Shelton
Edward J. Peak
Thomas H. Gilmour
Richard J. Sellers
Craig P. Coy
William H. Wissman
Christopher G. Burns
Authur E. Crostick
Joseph A. Stimatz
Arthus R. Butler
Norman B. Henslee
Dennis D. Rome
Edmond P. Thompson
Dirk D. Young
Robert J. Wells, Jr.
Terry W. Newell
James W. Gormanson
Harry W. Forster, Jr.
Steve S. Sheek
James H. Richardson
James R. Natwick
Lawrence G. Brudnicki
John S. Merrill
James M. Alderson
Christopher C. Oberst
William M. Bannister
Fredric R. Gill
Jimmy Ng
Danny D. Benefield
John C. Malmrose
Richard T. Buckingham
Walter G. Johnson
Robert G. Mueller
Charles F. Klingler
Joseph M. Kyle
John R. Shannonhouse
Thomas D. Yearout
Charles B. Williams
Clay A. Fust
James F. McCarthy III
James F. McEntire, Jr.
Henry F. Baley IV
Erroll M. Brown
Michael D. Shidle
Hampton E. Beasley, Jr.
Patrick J. Popieski
John W. Whitehouse
Ronald C. Gonski
Philip T. Bird
William B. Wittmeyer
Phillip C. Smith
Herbert R. Williams
Alan D. Summy
Rex A. Buddenberg
Carl R. Smith
Gordon J. Lawrence II
Thomas J. Meyers
James E. Whiting
Francis J. Kishman, Jr.
Jan E. Terveen
James M. Cooper
Joseph H. Jones, Jr.
James W. Meyer
Willard M. Collins
Mark D. Noll, Jr.
Gary M. Heil
Melvin H. Demmitt
Michael D. Hathaway
Frederic F. Litchliter
Tim B. Doherty
Wayne H. Ogle
James W. Underwood
Edwin E. Rollison, Jr.
Woodrow P Vaughn
Hugh T. H. Grant
Danny J. Sanromani
Gary R. Westling
Richard W. Withers
James L. Rohn
Edward E. Page
Dennis J. Gillespie
Bradley J. Niesen
Gary L. Swan
Robert D. Innes, Jr.
Robert W. Vail
William B. Turck
Paul L. Barger
Dean L. Harder
Bruce C. McCurdy
Loren M. Marovelli
Michael W. Ragesdale
William H. Fels
Robert F. Duncan
John M. Gray III
John M. Crye
John G. Calhoun
John W. Larned
Scott L. Anderson
Kevin J. Scheid
Craig A. Leisy
Stephen P. Ziomek
Charles A. Farnsworth
William P. Foreman
Thomas C. Paar
Thomas C. Meisenzahl
John K. Synovec, Jr.
Kenneth A. Forsythe
James H. B. Morton, Jr.
David L. Engan
Jeffrey A. Hill
Harold E. Blaney, Jr.
Michael P. Decesare

Robert B. Hallock II
Joseph E. Blanchard
Merritt H. Aurich IV
Steven B. Spencer
Douglas S. Neeb
David L. Walts
Paul J. Howard
Timothy C. Healey
Kirk A. Smith
Francis J. Sambor
Michael M. Matune, Jr.
John J. Giglio
Glenn A. Gipson
Richard W. Fish
Dennis A. Sande
Dennis E. Oldacres
Frederick L. Johnson
Anthony Dupree, Jr.
Ronald L. Endsley
Gary C. Rowland
John L. Congdon
Richard W. Tate
John C. Luther
Grover C. Breckenridge
James D. Jones
James E. Andrews
William H. Bourland
Joseph A. Walker, Jr.
Norman K. McBride
Kenneth R. Grover
William J. Thrall
William E. Thibault
Robert E. Drake, Jr.
Robert G. Winter
Terrence J. Sherman

The following named temporary officers of the Coast Guard to be permanent commissioned officers in the grade of lieutenant (junior grade):

David L. Robinson
Charles R. Mumford
David M. Donaldson
Harrison F. Deitrick
Harry A. Vaughn
Joseph J. Fontana
Terry L. Lott
James D. Manclark
Barry E. Erickson
William A. Dickerson III
James H. Williams
Edward G. Webb
Lawrence H. Walter
Alexandre Legault
James L. McClinton
Charles W. Belsky
Edward M. Howey
Michael J. Haucke
Mark E. Charbonneau
Bernard P. O'Brien, Jr.
Jerry W. Degan
Gaetano Martini
Edward N. Spencer
Douglas R. Halsey
William E. Hensley
Robert A. Taylor
Jon A. Thulin
Ronald L. Endsley
Gary C. Rowland
John L. Congdon
Richard W. Tate
John C. Luther
Grover C. Breckenridge
James D. Jones
James E. Andrews
William H. Bourland
Joseph A. Walker, Jr.
Norman K. McBride
Kenneth R. Grover
William J. Thrall
William E. Thibault
Robert E. Drake, Jr.
Robert G. Winter

CONFIRMATION

Executive nomination confirmed by the Senate March 1, 1976:

AMERICAN REVOLUTION BICENTENNIAL ADMINISTRATION

Jean McKee, of New York, to be Deputy Administrator of the American Revolution Bicentennial Administration.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Monday, March 1, 1976*

The House met at 12 o'clock noon.

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

O praise the Lord, all ye nations; praise Him all ye people, for His merciful kindness is great toward us; and the truth of the Lord endureth forever. Praise ye the Lord.—Psalms 117.

O God—

"We pray for this great land of ours
Founded by men who put their trust in Thee;
Help us again to find the mighty powers
Of truth and faith and hope, to set us free.
Inspire our leaders, give us grace to find
The people who can steer the ship of state.
In troubled waters, men who are not blind
Through pettiness, self-interest or hate.
And may we pledge, as statesmen long ago,
Our sacred honor, lives, and fortunes, too,
To keep our country free—for well we know
That freedom only comes through serving Thee."

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate has passed with amendments in which the concurrence of the House is requested, a bill and joint resolution of the House of the following titles:

H.R. 11665. An act to rescind certain budget authority recommended in the message of the President of January 23, 1976 (H. Doc. 94-342), transmitted pursuant to the Impoundment Control Act of 1974; and

H.J. Res. 801. Joint resolution making supplemental railroad appropriations for the fiscal year ending June 30, 1976, the period ending September 30, 1978, and the fiscal year ending September 30, 1979, and for other purposes.

The message also announced that the Senate insists upon its amendments to the joint resolution (H.J. Res. 801) entitled "Joint resolution making supplemental railroad appropriations for the fiscal year ending June 30, 1976, the period ending September 30, 1976, the fiscal year ending September 30, 1978, and the fiscal year ending September 30, 1979, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BAYH, Mr. MCCLELLAN, Mr. ROBERT C. BYRD, Mr. STENNIS, Mr. MAGNUSON, Mr. PASTORE, Mr. EAGLETON, Mr. CASE, Mr. YOUNG, Mr. STEVENS, Mr. MATHIAS, and Mr. SCHWEIKER to be conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2255. An act for the general revision of the Patent Laws, title 35 of the United States Code, and for other purposes; and

S. 3028. An act to amend sections 5315 and 5316 of title 5, United States Code.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. There are two bills on the Consent Calendar. The Clerk will call the first bill.

HEALTH BENEFITS COVERAGE FOR CERTAIN SURVIVOR ANNUITANTS

The Clerk called the bill (H.R. 11439) to amend title 5, United States Code, to restore eligibility for health benefits coverage to certain individuals whose survivor annuities are restored.

There being no objection, the Clerk read the bill as follows:

H.R. 11439

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8908 of title 5, United States Code, is amended—

(1) by inserting "(a)" immediately before "An employee";

(2) by adding at the end thereof the following new subsection:

"(b) A surviving spouse whose survivor annuity under this title was terminated because of remarriage and is later restored may, under such regulations as the Civil Service Commission may prescribe, enroll in a health benefits plan described by section 8903 of this title if such spouse was covered by any such plan immediately before such annuity was terminated."; and

(3) in the section caption, by striking out "employee" and inserting in lieu thereof "employee and survivor annuitants".

(b) The item relating to section 8908 appearing in the analysis of chapter 89 of title 5, United States Code, is amended to read as follows:

"8908. Coverage of restored employees and survivor annuitants.".

SEC. 2. The amendments made by the first section of this Act shall take effect on October 1, 1976, or on the date of the enactment of this Act, whichever date is later. Such amendments shall apply with respect to individuals whose survivor annuities are restored before, on, or after such date.

With the following committee amendment:

Page 2, line 8, strike out "employee" and insert "employees".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CAREER STATUS FOR CERTAIN FEDERAL EMPLOYEES WITH OVERSEAS LIMITED APPOINTMENTS

The Clerk called the bill (H.R. 11462) to provide for the acquisition of career status by certain employees of the Federal Government serving under overseas limited appointments.

There being no objection, the Clerk read the bill as follows:

H.R. 11462

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3304a(a) of title 5, United States Code, is amended by striking out the words "under an overseas limited appointment or".

SEC. 2. The amendment made by the first section of this Act shall take effect on Octo-

ber 1, 1976, or on the date of the enactment of this Act, whichever date is later.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Consent Calendar.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON FOREIGN ASSISTANCE BILL

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on the foreign assistance and related programs appropriation bill for fiscal year 1976 and the period ending September 30, 1976.

Mr. SHRIVER reserved all points of order on the bill.

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

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON HOUSE RESOLUTION 1058

Mr. SLACK. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on House Resolution 1058 disapproving the deferral of certain budget authority relating to the Juvenile Justice and Delinquency Prevention Program of the Law Enforcement Assistance Administration.

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

There was no objection.

THE LATE HONORABLE FLORENCE P. DWYER

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

Mr. RINALDO. Mr. Speaker, I am saddened to report the death of my distinguished predecessor and friend, the Honorable Florence P. Dwyer.

The former Member for New Jersey's 12th District, who retired in 1972 after serving for eight terms, died yesterday in the district she loved and represented so well.

Through more than 20 years of public service in the New Jersey Legislature and with the House of Representatives, Mrs. Dwyer excelled as a forceful and effective lawmaker. She was an accomplished advocate of consumer protection, a constant fighter for women's rights, an early and ardent opponent of U.S. military involvement in Vietnam, and a strong proponent of urban mass transit and urban renewal.

Her insistence on legislative action to protect consumer interests was particularly impressive and effective. Many still remember the day she dramatized her demand for a ban on the sale of flammable children's clothes by displaying and setting fire to a child's dress during a debate in the New Jersey Assembly.

The way flames licked through that dress symbolized Flo Dwyer's burning desire to right obvious wrongs and to get good legislation enacted into law.

As a member of the New Jersey Legislature from 1950 through 1956, and as a Member of the House of Representatives from 1957 through 1972, Flo maintained an exceptionally high standard of service.

She was the ranking minority member of the House Banking and Currency Subcommittee, and as many of her former colleagues will remember, was one of the most active Members of the House.

Mrs. Dwyer was an outstanding Congresswoman. She proved this with the people who sent her to Congress for eight terms. They loved her.

Flo Dwyer set the style. She was incorruptible, and she listened to the people.

When Flo Dwyer retired she gave me every possible help she could in my campaign. She was my friend and adviser, and she always had sound advice to offer.

She will be greatly missed by me and by many others who knew and respected her dedicated public service.

Mr. Speaker, I ask unanimous consent that all Members may express their remarks on the life, character, and public service of the late Honorable Florence Price Dwyer.

GENERAL LEAVE

Mr. RINALDO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the life, character, and public service of the late Honorable Florence P. Dwyer.

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

There was no objection.

THE LATE HONORABLE FLORENCE P. DWYER

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, I rise also to express my sorrow at the death of the Honorable Florence P. Dwyer, a woman who represented her district here so honorably and so well. Her constituents knew where she stood on any issue; she kept their interests at heart; she made Government real to the people of her district. They returned her in every election with an increasing majority. It did not matter how they changed the district, no one could beat Flo Dwyer in the 12th District. She was a remarkable woman, a great public servant, an earnest and dedicated legislator.

Mr. Speaker, I am confident that I express the feelings of all the New Jersey delegation in concurring in the remarks of the gentleman from New Jersey (Mr. RINALDO) who just preceded me.

CONGRESSMAN BURKE OF MASSACHUSETTS RETAINS HIS YOUTH

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

Mr. BURKE of Massachusetts. Mr. Speaker, I take this time to announce to the Members of the House that a little article appeared in the Boston Sunday Globe yesterday, a script that said I dyed my hair brown. Now, the fellow that wrote this story, I understand, is known as Prune Face and they do not call him Prune Face for nothing. He has more wrinkles than an unmade bed. He must be a little bit jealous of me because of my youthful appearance. I would like to give him a formula to regain his youth; that is, have oatmeal every morning and put a spoonful of molasses in that oatmeal about once a week. It is better than Geritol. No, I do not use any dye formula in my hair although it might help Prune Face. The years have not been too kind to him. He is a lot younger than I but his friend tells me he looks a lot older. Jealousy is an awful trait. However, I forgive old wrinkles. I know he did not intend to be this far removed from the truth.

Mr. HAYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. BURKE of Massachusetts. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Speaker, what is the Boston Globe?

Mr. BURKE of Massachusetts. The Boston Globe is an outstanding and well-known newspaper up in my area. It has been known down through the years for its integrity.

Mr. HAYS of Ohio. Is it slipping a little?

Mr. BURKE of Massachusetts. I think in this particular case it slipped a little.

Maybe I should strike out that part about the gentleman being prune-faced, Mr. Speaker. I do not want to say that about him. It is an unkind remark to make about him, because he is not a bad fellow. He just has problems every time he looks at me. He is 20 years younger and he looks 10 years older. I am 65 years of age and I am proud of it, never denied it and everybody in my district knows it; but I can say one thing, I have never dyed my hair and I can tell him another thing and I do not know whether he can make the same statement; I still have my own teeth.

CRIMINAL JURISDICTION IN INDIAN COUNTRY

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

Mr. HUNGATE. Mr. Speaker, the Subcommittee on Criminal Justice will conduct a hearing on Tuesday, March 9, on legislation concerning criminal jurisdiction in Indian country. The bills we will have under consideration are S. 2129, which recently passed the Senate; H.R. 2470, sponsored by Mr. RHODES and Mr. STEIGER; and H.R. 7592, introduced by Mr. RODINO and Mr. HUTCHINSON at the request of the Attorney General.

The hearing will be held in room 2237 of the Rayburn House Office Building and will begin at 10 a.m.

Persons wishing to testify are requested to notify the subcommittee by telephone, 202-225-0406, or in writing by that date.

WITHDRAWAL OF H.R. 8991 FROM SUSPENSION CALENDAR

Mr. PERKINS. Mr. Speaker, I request that the bill H.R. 8991 to amend the Community Services Act of 1974, to make certain technical amendments, be removed from the suspension calendar and that it come up on the next regular suspension date.

The SPEAKER. The bill will not be called at the request of the chairman.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
February 26, 1976.

HON. CARL ALBERT,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 3:25 p.m. on Thursday, February 26, 1976, and said to contain a message from the President on energy.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
House of Representatives.

ENERGY NEEDS OF THE UNITED STATES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-385)

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee of the Whole House on the State of the Union and ordered to be printed:

To the Congress of the United States:

A little over two years ago, the Arab embargo proved that our Nation had become excessively dependent upon others for our oil supplies. We now realize how critical energy is to the defense of our country, to the strength of our economy, and to the quality of our lives.

We must reduce our vulnerability to the economic disruption which a few foreign countries can cause by cutting off our energy supplies or by arbitrarily raising prices. We must regain our energy independence.

During the past year, we have made some progress toward achieving our energy independence goals, but the fact remains that we have a long way to go. However, we cannot take the steps required to solve our energy problems until the Congress provides the necessary additional authority that I have requested. If we do not take these steps, our vulnerability will increase dramatically.

In my first State of the Union Address last year, I pointed out that our vulnerability would continue to grow unless a comprehensive energy policy and program were implemented. I outlined these goals for regaining our energy independence:

—First, to halt our growing dependence on imported oil during the next few critical years.

—Second, to attain energy independence by 1985 by achieving invulnerability to disruptions caused by oil import embargoes. Specifically, we must reduce oil imports to between 3 and 5 million barrels a day, with an accompanying ability to offset any future embargo with stored petroleum reserves and emergency standby measures.

—Third, to mobilize our technology and resources to supply a significant share of the free world's energy needs beyond 1985.

In pursuing these goals, we have sought to provide energy at the lowest cost consistent with our need for adequate and secure supplies We should rely upon the private sector and market forces since it is the most efficient means of achieving these goals. We must also achieve a balance between our environmental and energy objectives.

These goals were reasonable and sound a year ago and they remain so today.

Since January of 1975, this Administration has initiated the most comprehensive set of energy programs possible under current authority. This includes actions to conserve energy, to increase the production of domestic energy resources, and to develop technology necessary to produce energy from newer sources.

During this time, I have also placed before the Congress a major set of legislative proposals that would provide the additional authority that is needed to achieve our energy independence goals.

Thus far, the Congress has completed action on only one major piece of energy legislation—the Energy Policy and Conservation Act—which I signed into law on December 22, 1975. That law includes four of the original proposals I submitted to the Congress over a year ago. Eighteen other major legislative proposals still await final action by the Congress.

NATURAL GAS

The need for Congressional action is most critical in the area of natural gas. We must reverse the decline in natural gas production and deal effectively with the growing shortages that face us each winter.

Deregulating the price of new natural gas remains the most important action that can be taken by the Congress to improve our future gas supply situation. If the price of natural gas remains under current regulation, total domestic production will decline to less than 18 trillion cubic feet in 1985. However, if deregulation is enacted, production would be about 25 percent higher by 1985. Natural gas shortages mean higher costs for consumers who are forced to switch to more expensive alternative fuels and mean, inevitably, an increasing dependence on imported oil. Curtailment of natural gas to industrial users in the winters ahead means more unemployment and further economic hardships.

Therefore, I again urge the Congress to approve legislation that will remove Federal price regulation from new natural gas supplies and will provide the added short-term authorities needed to deal with any severe shortages forecast for next winter.

I also urge prompt action by the Congress on a bill I will be submitting shortly which is designed to expedite the selection of a route and the construction of a transportation system to bring the vast supplies of natural gas from the North Slope of Alaska to the "lower 48" markets. This legislation would make possible production of about 1 trillion cubic feet of additional natural gas each year by the early 1980s.

We expect imports of liquefied natural gas (LNG) to grow in the next several years to supplement our declining domestic supply of natural gas. We must balance these supply needs against the risk of becoming overly dependent on any particular source of supply.

Recognizing these concerns, I have directed the Energy Resources Council to establish procedures for reviewing proposed contracts within the Executive Branch, balancing the need for supplies with the need to avoid excessive dependence, and encouraging new imports where this is appropriate. By 1985, we should be able to import 1 trillion cubic feet of LNG to help meet our needs without becoming overly dependent upon foreign sources.

NUCLEAR POWER

Greater utilization must be made of nuclear energy in order to achieve energy independence and maintain a strong economy. It is likewise vital that we continue our world leadership as a reliable supplier of nuclear technology in order to assure that worldwide growth in nuclear power is achieved with responsible and effective controls.

At present 57 commercial nuclear power plants are on line, providing more than 9 percent of our electrical requirements, and a total of 179 additional plants are planned or committed. If the electrical power supplied by the 57 existing nuclear power plants were supplied by oil-fired plants, an additional one million barrels of oil would be consumed each day.

On January 19, 1975, I activated the independent Nuclear Regulatory Commission (NRC) which has the responsibility for assuring the safety, reliability, and environmental acceptability of commercial nuclear power. The safety record for nuclear power plants is outstanding. Nevertheless, we must continue our efforts to assure that it will remain so in the years ahead. The NRC has taken a number of steps to reduce unnecessary regulatory delays and is continually alert to the need to review its policies and procedures for carrying out its assigned responsibilities.

I have requested greatly increased funding in my 1977 budget to accelerate research and development efforts that will meet our short-term needs to:

—make the safety of commercial nuclear power plants even more certain;

—develop further domestic safeguards technologies to assure against the

theft and misuse of nuclear materials as the use of nuclear-generated electric power grows;
—provide for safe and secure long-term storage of radioactive wastes;
—and encourage industry to improve the reliability and reduce the construction time of commercial nuclear power plants.

I have also requested additional funds to identify new uranium resources and have directed ERDA to work with private industry to determine what additional actions are needed to bring capacity online to reprocess and recycle nuclear fuels.

Internationally, the United States in consultation with other nations which supply nuclear technology has decided to follow stringent export principles to ensure that international sharing of the benefits of nuclear energy does not lead to the proliferation of nuclear weapons. I have also decided that the U.S. should make a special contribution of up to $5 million in the next 5 years to strengthen the safeguards program of the International Atomic Energy Agency.

It is essential that the Congress act if we are to take timely advantage of our nuclear energy potential. I urge enactment of the Nuclear Licensing Act to streamline the licensing procedures for the construction of new powerplants.

I again strongly urge the Congress to give high priority to my Nuclear Assurance Act to provide enriched uranium needed for commercial nuclear powerplants here and abroad. This proposed legislation which I submitted in June 1975, would provide the basis for transition to a private competitive uranium enrichment industry and prevent the heavy drain on the Federal budget. If the Federal Government were required to finance the necessary additional uranium enrichment capacity, it would have to commit more than $8 billion over the next 2 to 3 years and $2 billion annually thereafter. The taxpayers would eventually be repaid for these expenditures but not until sometime in the 1990's. Federal expenditures are not necessary under the provisions of this act since industry is prepared to assume this responsibility with limited Government cooperation and some temporary assurances. Furthermore, a commitment to new Federal expenditures for uranium enrichment could interfere with efforts to increase funding for other critical energy programs.

COAL

Coal is the most abundant energy resource available in the United States, yet production is at the same level as in the 1920's and accounts for only about 17 percent of the Nation's energy consumption. Coal must be used increasingly as an alternative to scarce, expensive or insecure oil and natural gas supplies. We must act to remove unnecessary constraints on coal so that production can grow from the 1975 level of 640 million tons to over 1 billion tons by 1985 in order to help achieve energy independence.

We are moving ahead where legislative authority is available.

The Secretary of the Interior has recently adopted a new coal leasing policy for the leasing and development of more coal on Federal lands. To implement this policy, regulations will be issued governing coal mining operations on Federal lands, providing for timely development, and requiring effective surface mining controls which will minimize adverse environmental impacts and require that mined lands be reclaimed. As a reflection of the States' interests, the Department proposes to allow application on Federal lands of State coal mine reclamation standards which are more stringent than Federal standards, unless overriding National interests are involved.

I have directed the Federal Energy Administration and the Environmental Protection Agency to work toward the conversion of the maximum number of utilities and major industrial facilities from gas or oil to coal as permitted under recently extended authorities.

We are also stepping up research and development efforts to find better ways of extracting, producing and using coal.

Again, however, the actions we can take are not enough to meet our goals. Action by the Congress is essential.

I urge the Congress to enact the Clean Air Act amendments I proposed which will provide the balance we need between air quality and energy goals. These amendments would permit greater use of coal without sacrificing the air quality standards necessary to protect public health.

OIL

We must reverse the decline in the Nation's oil production. I intend to implement the maximum production incentives that can be justified under the new Energy Policy and Conservation Act. In addition, the Department of the Interior will continue its aggressive Outer Continental Shelf development program while giving careful attention to environmental considerations.

But these actions are not enough. We need prompt action by the Congress on my proposals to allow production from the Naval Petroleum Reserves. This legislation is now awaiting action by a House-Senate Conference Committee.

Production from the reserves could provide almost 1 million barrels of oil per day by 1985 and will provide both the funding and the oil for our strategic oil reserves.

I also urge the Congress to act quickly on amending the Clean Air Act auto emission standards that I proposed last June to achieve a balance between objectives for improving air quality, increasing gasoline mileage, and avoiding unnecessary increases in costs to consumers.

BUILDING ENERGY FACILITIES

In order to attain energy independence for the United States, the construction of numerous nuclear power plants, coal-fired power plants, oil refineries, synthetic fuel plants, and other facilities will be required over the next two decades.

Again, action by the Congress is needed.

I urge Congress to approve my October 1975 proposal to create an Energy Independence Authority, a new Government corporation to assist private sector financing of new energy facilities.

This legislation will help assure that capital is available for the massive investment that must be made over the next few years in energy facilities, but will not be forthcoming otherwise. The legislation also provides for expediting the regulatory process at the Federal level for critical energy projects.

I also urge Congressional action on legislation needed to authorize loan guarantees to aid in the construction of commercial facilities to produce synthetic fuels so that they may make a significant contribution by 1985.

Commercial facilities eligible for funding under this program include those for synthetic gas, coal liquefaction and oil shale, which are not now economically competitive. Management of this program would initially reside with the Energy Research and Development Administration but would be transferred to the proposed Energy Independence Authority.

My proposed energy facilities siting legislation and utility rate reform legislation, as well as the Electric Utilities Construction Incentives Act complete the legislation which would provide the incentives, assistance and new procedures needed to assure that facilities are available to provide additional domestic energy supplies.

ENERGY DEVELOPMENT IMPACT ASSISTANCE

Some areas of the country will experience rapid growth and change because of the development of Federally-owned energy resources. We must provide special help to heavily impacted areas where this development will occur.

I urge the Congress to act quickly on my proposed new, comprehensive, Federal Energy Impact Assistance Act which was submitted to the Congress on February 4, 1976.

This legislation would establish a $1 billion program of financial assistance to areas affected by new Federal energy resource development over the next 15 years. It would provide loans, loan guarantees and planning grants for energy-related public facilities. Funds would be repaid from future energy development. Repayment of loans could be forgiven if development did not occur as expected.

This legislation is the only approach which assures that communities that need assistance will get it where it is needed, when it is needed.

ENERGY CONSERVATION

The Nation has made major progress in reducing energy consumption in the last two years but greatly increased savings can yet be realized in all sectors.

I have directed that the Executive Branch continue a strong energy management program. This program has already reduced energy consumption by 24 percent in the past two years, saving the equivalent of over 250,000 barrels of oil per day.

We are moving to implement the conservation authorities of the new Energy Policy and Conservation Act, including those calling for State energy conservation programs, and labeling of appliances to provide consumers with energy efficiency information.

I have asked for a 63 percent increase in funding for energy conservation research and development in my 1977 budget.

If the Congress will provide needed legislation, we will make more progress. I urge the Congress to pass legislation to provide for thermal efficiency standards for new buildings, to enact my proposed $55 million weatherization assistance program for low-income and elderly persons, and to provide a 15 percent tax credit for energy conservation improvements in existing residential buildings. Together, these conservation proposals can save 450,000 barrels of oil per day by 1985.

INTERNATIONAL ENERGY ACTIVITIES

We have also made significant progress in establishing an international energy policy. The U.S. and other major oil consuming nations have established a comprehensive long-term energy program through the International Energy Agency (IEA), committing ourselves to continuing cooperation to reduce dependence on imported oil. By reducing demand for imported oil, consuming nations can, over time, regain their influence over oil prices and end vulnerability to abrupt supply cut-offs and unilateral price increases.

The International Energy Agency has established a framework for cooperative efforts to accelerate the development of alternative energy sources. The Department of State, in cooperation with FEA, ERDA, and other Federal agencies, will continue to work closely with the IEA.

While domestic energy independence is an essential and attainable goal, we must recognize that this is an interdependent world. There is a link between economic growth and the availability of energy at reasonable prices. The United States will need some energy imports in the years ahead. Many of the other consuming nations will not be energy independent. Therefore, we must continue to search for solutions to the problems of both the world's energy producers and consumers.

The U.S. delegation to the new Energy Commission will pursue these solutions, including the U.S. proposal to create an International Energy Institute. This institute will mobilize the technical and financial resources of the industrialized and oil producing countries to assist developing countries in meeting their energy problems.

1985 AND BEYOND

As our easily recoverable domestic fuel reserves are depleted, the need for advancing the technologies of nuclear energy, synthetic fuels, solar energy, and geothermal energy will become paramount to sustaining our energy achievements beyond 1985. I have therefore proposed an increase in the Federal budget for energy research and development from $2.2 billion in 1976 to $2.9 billion in the proposed 1977 budget. This 30-percent increase represents a major expansion of activities directed at accelerating programs for achieving long-term energy independence.

These funds are slated for increased work on nuclear fusion and fission power development, particularly for demonstrating the commercial viability of breeder reactors; new technology development for coal mining and coal use; enhanced recovery of oil from current reserves; advanced power conversion systems; solar and geothermal energy development; and conservation research and development.

It is only through greater research and development efforts today that we will be in a position beyond 1985 to supply a significant share of the free world's energy needs and technology.

SUMMARY

I envision an energy future for the United States free of the threat of embargoes and arbitrary price increases by foreign governments. I see a world in which all nations strengthen their cooperative efforts to solve critical energy problems. I envision a major expansion in the production and use of coal, aggressive exploration for domestic oil and gas, a strong commitment to nuclear power, significant technological breakthroughs in harnessing the unlimited potential of solar energy and fusion power, and a strengthened conservation ethic in our use of energy.

I am convinced that the United States has the ability to achieve energy independence.

I urge the Congress to provide the needed legislative authority without further delay.

GERALD R. FORD.

THE WHITE HOUSE, *February 26, 1976.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, *D.C.*, *February 27, 1976.*

Hon. CARL ALBERT,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 12:28 P.M. on Friday, February 27, 1976, and said to contain a message from the President wherein he transmits the Sixth Annual Report of the Council on Environmental Quality.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

SIXTH ANNUAL REPORT OF THE COUNCIL ON ENVIRONMENTAL QUALITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Merchant Marine and Fisheries:

To the Congress of the United States:

It is a measure of our progress as a Nation that today, in the 200th year of American Independence, we are in the midst of a dynamic movement to restore, protect and preserve our environment and, at the same time, make the most effective use of our natural resources—with the objective of providing a better life for ourselves and for our children and grandchildren.

This society has come a long way since the time when the daily struggle with climate and wilderness dominated our ancestors lives, challenged their spirit and energies, and shaped attitudes that served so well to forge a new Nation. We have learned that our past progress was often achieved without adequate regard for the longer term consequences to our air, water and land. Some have concluded from our past experiences that certain national objectives—such as a strong economy, an adequate supply of energy, and an improved environment—are in conflict and we must choose among them. Others are concluding—and I share their view—that we can make good progress toward all these objectives if our goals are realistic, our resolve is firm, and our steps are deliberate.

The Sixth Annual Report of the Council on Environmental Quality which I am forwarding to the Congress surveys our environmental accomplishments and indicates that we have made much progress indeed.

The Council's summary of environmental conditions and trends describes the encouraging results of our efforts to clean up the air and water. We are beginning to bring our most chronic sources of water pollution under control, and we are improving the quality of some of our most heavily polluted waterways. We have improved air quality significantly in the United States during the past five years.

The progress we have made so far is in large measure a reflection of the investment the Nation has made in cleaning up the environment. In 1975 government and industry spent more than $15 billion in capital and operating expenditures to meet the requirements of Federal pollution control legislation. The Federal Government alone has increased its pollution control outlays from $751 million in 1970 to an estimated $4.5 billion in the current fiscal year. Over the next ten years the Nation will spend more than $22 billion per year to meet Federal pollution control requirements.

We can be proud of the progress we have made in improving the Nation's environmental quality. Yet, we must meet additional challenges over the next few years. We must improve our understanding of the effects of pollutants and of the means and costs of reducing pollution. As we develop new energy sources and technologies we must assure that they meet environmental standards. We also must continue the job of cleaning up pollution from existing sources.

The Council has reviewed the environmental conditions of our coastal zone and on Federal public lands and describes the diverse purposes they serve and the variety of ways in which our people can use and enjoy them. Because of the competing demands upon these areas, we will face a continuing challenge in assuring their best uses and in providing protection of their environmental values.

International activities over the past year have provided a helpful perspective for understanding the global scope of many environmental issues. Our community of nations is beginning to come to grips with this reality and, through the United Nations Earthwatch Program, is making a major attempt to

monitor environmental conditions and trends throughout the world.

Our experience and our growing knowledge about the scientific, technical and economic aspects of environmental effects and controls has given us a basis for considering "mid-course corrections" in existing environmental laws. The attention now being given in the Congress and the Administration to a review of the requirements of the Clean Air Act and the Water Pollution Control Act are important examples of this new level of awareness.

In these and other efforts, we must set our goals carefully, pursue them vigorously, and maintain the balance among our national objectives. This is essential if we are to enjoy the continued public support for our environmental objectives that is necessary to future progress.

We have made an excellent start. I am confident we shall continue in this vital area.

GERALD R. FORD.

THE WHITE HOUSE, *February 27, 1976.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
March 1, 1976.

HON. CARL ALBERT,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 11:35 A.M. on Saturday, February 28, 1976, and said to contain a message from the President wherein he transmits the Third Biennial Report on National Growth and Development.

With kind regards, I am,
Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

THIRD BIENNIAL REPORT ON NATIONAL GROWTH AND DEVELOPMENT — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Banking, Currency and Housing:

To the Congress of the United States:

I am forwarding herewith the Third Biennial Report on National Growth and Development in accordance with Section 703(a) of the Housing and Urban Development Act of 1970.

GERALD R. FORD.

THE WHITE HOUSE, *February 27, 1976.*

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

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

[Roll No. 72]

Andrews, N.C.	Ford, Tenn.	Moakley
Archer	Fraser	Moffett
Badillo	Fuqua	Mollohan
Barrett	Goldwater	Moss
Beard, Tenn.	Gonzalez	Nix
Bell	Green	Nolan
Biaggi	Gude	O'Neill
Boland	Hammer-schmidt	Patman, Tex.
Bolling	Harrington	Pepper
Bonker	Harsha	Pettis
Bowen	Hayes, Ind.	Rhodes
Brooks	Hébert	Risenhoover
Brown, Calif.	Heckler, Mass.	Rousselot
Brown, Ohio	Heinz	Runnels
Burke, Calif.	Hinshaw	Ruppe
Burke, Fla.	Holland	Ryan
Chappell	Howard	St Germain
Chisholm	Hubbard	Scheuer
Collins, Ill.	Jones, N.C.	Shuster
Conlan	Jones, Tenn.	Steiger, Ariz.
Conyers	Kindness	Stephens
Corman	Landrum	Symington
Derwinski	Litton	Thornton
Devine	McCloskey	Tsongas
Dingell	McCollister	Udall
Dodd	Macdonald	Ullman
du Pont	Mann	Vander Jagt
Eckhardt	Matsunaga	Vigorito
Edgar	Melcher	Wampler
Esch	Metcalfe	Wiggins
Eshleman	Michel	Wirth
Evans, Colo.	Milford	Wydler
Evins, Tenn.	Mills	Wylie
Flowers	Mitchell, Md.	Young, Ga.
Foley		Zeferetti

The SPEAKER. On this rollcall 328 Members have recorded their presence by electronic device, a quorum.

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

FIFTIETH WEDDING ANNIVERSARY OF THE CHAPLAIN, REV. EDWARD G. LATCH, AND HIS WIFE RIETA

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

Mr. MAHON. It is at the suggestion and encouragement of our distinguished Speaker of the House of Representatives, the gentleman from Oklahoma (Mr. ALBERT) that I take the floor today to announce a most memorable event. That event is the 50th wedding anniversary of Edward Gardner Latch and Rieta Latch. A lovelier and finer couple has never inhabited this Capital City. They are admired and beloved by all who know them.

About 10 years ago, the Speaker of the House asked Dr. Latch to become Chaplain of the House, and Dr. Latch was elected to that position. At that time Dr. Latch had completed more than 20 years as pastor of the Metropolitan Memorial United Methodist Church in Washington, a church my wife and I had attended throughout his pastorate.

I know that all Members of the House will want to join in a special salute to Dr. Edward Gardner Latch and Rieta upon this significant day, their 50th wedding anniversary.

Mr. MILLER of Ohio. Mr. Speaker, it is with a great deal of pride that I join my colleagues in the House of Representatives today in paying tribute to our distinguished Chaplain, Dr. Edward Latch and Mrs. Latch upon their 50th wedding anniversary.

Since coming to the Congress, I have deeply admired the leadership and dedication exemplified by Dr. Latch. His prayer opening each session of the House has been a source of inspiration for all who have served in this Chamber. My admiration for Dr. Latch is coupled with equal admiration and respect for his devoted wife, Rieta, and their family.

Reverend and Mrs. Latch—now the proud grandparents of eight—were married on March 1, 1926. Throughout his many years of civic service in the Washington area, Dr. Latch has always drawn inspiration and support from his fine family. Prior to beginning his service in the House, Dr. Latch served as pastor of the Metropolitan Methodist Church in Washington for more than 25 years.

On this momentous occasion, I want to offer my sincerest congratulations to Dr. Latch and his lovely wife, and I want to extend to them my best wishes for many more years of happiness.

GENERAL LEAVE

Mr. HYDE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the 1 minute speech just given by the gentleman from Texas (Mr. MAHON) on the 50th wedding anniversary of our Chaplain, Dr. Edward G. Latch and his wife Rieta.

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

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement.

Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

AUTHORIZING PRESIDENT TO INVITE STATES OF THE UNION AND FOREIGN NATIONS TO PARTICIPATE IN INTERNATIONAL PETROLEUM EXPOSITION IN TULSA, OKLA., MAY 16 THROUGH MAY 22, 1976

Mr. DIGGS. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 296) authorizing the President to invite the States of the Union and foreign nations to participate in the International Petroleum Exposition to be held at Tulsa, Okla., from May 16, 1976, through May 22, 1976.

The Clerk read as follows:

H.J. RES. 296

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to invite by proclamation, or in such other manner as he may deem proper, the States of the Union and foreign nations to participate in the International Petroleum Exposition to be held at Tulsa, Oklahoma, from May 16, 1976, through May 22, 1976, for the purpose of exhibiting machin-

ery, equipment, supplies, and other products used in the production and marketing of oil and gas, and bringing together buyers and sellers for the promotion of foreign and domestic trade and commerce in such products.

The SPEAKER. Is a second demanded?

Mr. GILMAN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Michigan (Mr. DIGGS) will be recognized for 20 minutes, and the gentleman from New York (Mr. GILMAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan (Mr. DIGGS).

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

Mr. Speaker, the joint resolution before us, House Joint Resolution 296, would authorize the President to invite the States of the Union and foreign nations to participate in the International Petroleum Exposition in Tulsa May 17 through 21, 1976.

The Committee on International Relations approved this resolution without objection on February 24, 1975.

The Senate passed this resolution in May 1975 and similar resolutions authorizing this exposition were passed in 1965 and 1970.

The International Petroleum Exposition, aimed at expanding U.S. exports and technology in the energy field, has been held every 5 years since 1923. It is sponsored by a nonprofit organization, comprised of oil company representatives, trade associations, and oil trade publications' editors. Randolph Yost, vice president of Standard Oil of Indiana, is the current president of the IPE board of directors.

Only four foreign countries will have exhibits at the International Petroleum Exposition: Britain, France, Germany, and Canada. All others will merely be sending visiting delegations, potential purchasers of U.S. and other European equipment.

While the IPE organizers expect nearly 90 countries to send delegations, only 53 have thus far expressed an interest in attending.

The International Petroleum Exposition affords an unusual opportunity to United States and other European allies to exhibit and increase sales of their products and equipment in the petroleum extraction and energy field to foreign buyers. Selected as one of 17 trade shows endorsed by the Department of Commerce's Foreign Buyers Program, this exposition will require no funding authorization. Although it is difficult to assess the profits in terms of increased sales resulting from these trade shows, George Hines, the project director for IPE at the Commerce Department, suggests a ratio of $500 to $1.

In addition to the economic benefits, the symposium, on energy questions including the nonfossil fuels, which is held concurrently with the IPE, provides a vital forum for the exchange of information and new research in the field of energy.

The IPE will take place at a time when the availability of petroleum products at reasonable prices has accelerated the quest for alternative energy sources.

While the OPEC countries control the oil resources, it is the United States and the West that commands the technology and equipment that make the exploitation of these resources possible. The International Petroleum Exposition can strengthen this symbolic relationship between the holders of petrol and the possessors of needed machinery.

The resolution would not involve any new budget authority and is noncontroversial in nature. I, therefore, urge its adoption.

Mr. Speaker, I yield such time as he may consume to the gentleman from Oklahoma (Mr. JONES).

Mr. JONES of Oklahoma. Mr. Speaker, I want to take this opportunity to thank the chairman and the members of the committee for moving on this resolution.

Mr. Speaker, the International Petroleum Exposition, held every 5 years in Tulsa, is of great importance to the economic and energy development of this Nation.

This resolution involves no dollar costs to the Federal Government, as the IPE is privately funded. This resolution only authorizes and requests the President to formally invite the States and foreign nations to participate in this event.

The International Petroleum Exposition has already been designated as "VIP Trade Show" by the Department of Commerce, and thus far 53 nations have indicated their participation. The countries are diverse, including such nations as France, Russia, Israel, Iraq, and Venezuela. IPE organizers expect up to 90 nations will eventually participate.

Let me share with you some information on the purpose of the IPE, and the educational dialog planned. The IPE focuses on the development and design of new equipment, new methodology, new materials, new technology, and new processes in the petroleum industry. The IPE is at once a trade show and an educational experience.

A vital element of the IPE is the Energy Technical Symposium. This 3-day program includes seminars on such topics as "Improvements in the Field and Petrochemical Processing of Hydrocarbons", "Drilling for Oil and Gas in Hostile Environments (Snow, Deserts, Tundra and Great Depths)", and "Development and Potential of Future Energy Sources."

Many companies will be exhibiting equipment and services used in several division of the industry. Exploration will be represented in 16 percent of the exhibits, drilling in 35 percent, production in 53 percent, pipelines in 50 percent, refining in 37 percent, and petrochemicals in 36 percent.

For the first time in the 53-year history of the IPE, there will be an Energy Science Panorama, with exhibits on oil shale, coal gasification, tar sands, geothermal, solar and wind energy.

The international energy picture has changed dramatically since the last IPE in 1971. It is the very nature of this change than enhances the importance of this resolution. Foreign governments are playing a crucial role in petroleum exploration, and it is essential that we bring together experts from all over the world to share information and technology.

I not only urge my colleagues to support this important event, but I also invite each of you to visit Tulsa during the IPE. You will learn a great deal about energy, about new processes, and about future energy development, not only in America, but in some 90 other nations as well.

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

Mr. Speaker, I join my colleague from Michigan (Mr. DIGGS), the chairman of our Subcommittee on International Resource Food and Energy and the gentleman from Oklahoma (Mr. JONES) in support of House Joint Resolution 296, a joint resolution "authorizing and requesting the President to invite the States of the Union and foreign nations to participate in the International Petroleum Exposition to be held at Tulsa, Okla., from May 16, 1976, through May 22, 1976."

The International Petroleum Exposition, sponsored by a nonprofit organization, is held every 5 years in Tulsa, Okla., for the purpose of exhibiting machinery, equipment, supplies and other products used in the production and marketing of oil and natural gas. In addition, the exposition concentrates on bringing together buyers and sellers for the promotion of foreign and domestic commerce in oil and gas products.

This exposition, which is the oldest and largest in the world has been held continuously in Tulsa since 1923. The event has been certified since 1974 as one of only 17 expositions selected by the Department of Commerce's foreign buyers program for government promotion to match the interest of overseas buyers with American producers at U.S. exhibitions and trade shows.

In lending its full support to House Joint Resolution 296, the Department of Commerce cited "the current universal importance of the energy subject and the general excellence of the International Petroleum Exposition" as factors that will enable the Department to better accomplish its "mission of promoting industry and commerce to effect an improved balance of payments for the United States." In addition, it "will serve the public interest in increasing the awareness here and abroad of the critical nature of the world's energy supply problem.

This year's exposition is expected to draw some 50,000 qualified industrial buyers from 60 different nations and all 50 States of the Union. The 400 individual company exhibits of machinery and equipment are expected to be viewed by as many as 1,000,000 people.

The International Petroleum Exposition, which is a nonprofit organization made up of oil company representatives, trade associations, and oil trade publications editors, has planned the 1976 exposition in three phases: The first being the actual exhibitions to demonstrate new techniques and equipment. The second will feature technical symposiums on such major topics as "Development and

Potential of Future Energy Sources, Developments in the Transportation of Hydrocarbons, and Drilling for Oil and Gas in a Hostile Environment." The third and final phase will be an Energy Science Panorama featuring new and innovative technology representing all forms of energy, including nonfossil fuels and will occupy approximately 30,000 square feet of space.

Both in 1965 and 1970, the Congress passed similar joint resolutions recognizing this activity and authorizing the President to invite the States and foreign nations to participate in the exposition. As in the previous exposition resolutions, this measure does not involve any Federal expenditure for, or participation in, the exposition.

The United States remains the most important producer of machinery, new technology, and equipment for the petroleum industry. In light of the ever-increasing costs of imported fuels, it is in the interest of all Americans to provide an arena for as many foreign buyers as possible, thereby enhancing our balance of payments. In the past these expositions have generated millions of dollars in sales of American industrial products.

For these reasons, Mr. Speaker, I urge all my colleagues to join with me in support of House Joint Resolution 296, a noncontroversial and highly beneficial recognition of the International Petroleum Exposition.

Mr. DIGGS. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. DIGGS) that the House suspend the rules and pass the joint resolution (H.J. Res. 296).

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution was passed.

A motion to reconsider was laid on the table.

Mr. DIGGS. Mr. Speaker, I ask unanimous consent that the Committee on International Relations be discharged from further consideration of the Senate joint resolution (S.J. Res. 59), authorizing the President to invite the States of the Union and foreign nations to participate in the International Petroleum Exposition to be held at Tulsa, Okla., from May 16, 1976, through May 22, 1976, and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

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

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 59

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to invite by proclamation, or in such other manner as he may deem proper, the States of the Union and foreign nations to participate in the International Petroleum Exposition, to be held at Tulsa, Oklahoma, from May 16, 1976, through May 22, 1976, for the purpose of exhibiting machinery, equipment, supplies, and other products used in the production and marketing of oil and gas, and bringing together buyers and sellers for the promotion of foreign and domestic trade and commerce in such products.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House joint resolution (H.J. Res. 296) was laid on the table.

GENERAL LEAVE

Mr. DIGGS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution just passed.

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

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

RELATING TO TRANSACTIONS BY CERTAIN PUBLIC EMPLOYEE RETIREMENT SYSTEMS CREATED BY THE STATE OF NEW YORK OR ITS POLITICAL SUBDIVISIONS

Mr. ULLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11700) relating to the application of certain provisions of the Internal Revenue Code of 1954 to specified transactions by certain public employee retirement systems created by the State of New York or any of its political subdivisions, as amended.

The Clerk read as follows:

H.R. 11700

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) any pension plan or trust which, on December 5, 1975, was a party to the amended and restated agreement of November 26, 1975, set forth on pages 38906, 38912, and 38913 of the Congressional Record published on such date, and any trust forming a part of such a plan, shall not be considered to fail to satisfy the requirements of section 401 (a) of the Internal Revenue Code of 1954, and shall not be considered to have engaged in a prohibited transaction described in section 503(b) of such Code merely because such plan or trust does any or all of the following:

(1)(A) enters into such agreement or agrees to any amendment of such agreement;

(B) forebears from any act prohibited by such agreement;

(C) acquires or holds any obligation the acquisition or holding of which is provided for by such agreement;

(D) makes any election provided for by such agreement;

(E) executes a waiver of any requirement of such agreement;

(F) after the expiration of such agreement, holds any obligation acquired or held pursuant to such agreement; or

(G) performs any other act provided for by such agreement;

(2) on or after August 20, 1975, and before January 1, 1979, considers, for purposes of determining investments to be made by the plan or trust, the extent to which such investments will—

(A) maintain the ability of the city of New York—

(i) to make future contributions to the plan or trust, and

(ii) to satisfy its future obligations to pay pension and retirement benefits to members and beneficiaries of such plan or trust, and

(B) protect the sources of funds to provide retirement benefits for members and beneficiaries of the plan or trust; or

(3) after December 31, 1978, considers, for purposes of determining whether to retain investments held on December 31, 1978, the factors enumerated in paragraph (2).

For purposes of paragraph (1), the acquisition or holding of any obligation of the Municipal Assistance Corporation for the city of New York on or after August 20, 1975, and before November 26, 1975, shall be considered an acquisition or holding provided for by such agreement.

(b) In the case of—

(1) any amendment to the agreement described in subsection (a) which relates to the application of the factors set forth in subsection (a) to the requirements of section 401(a) or 503(b) of the Internal Revenue Code of 1954 and which is adopted after December 5, 1975, and

(2) any waiver of any requirement of the agreement by a plan or trust after December 5, 1975,

such amendment or waiver shall take effect for purposes of subsection (a) on the date on which a copy of such amendment or waiver is submitted directly to the Secretary of the Treasury; except that, if the Secretary determines, not later than 30 days after such date of submission (or, if later, the date of the enactment of this Act) that the taking effect of such amendment or waiver for purposes of subsection (a) is inconsistent with the considerations set forth in subsection (a)(2), such amendment or waiver shall not be deemed to have been effective for any period for purposes of subsection (a). No amendment to the agreement which has the effect of extending the expiration date of the agreement to a date later than December 31, 1978, shall take effect for purposes of subsection (a).

(c) The trustees of each pension plan or trust described in subsection (a) shall furnish a copy of the annual report filed by such plan or trust with the New York State Insurance Department for each fiscal year of the plan or trust beginning after June 30, 1975, and ending with the first fiscal year in which there are no obligations with respect to which subsection (a) applies, to the Secretary of the Treasury not later than 30 days after the date such report is filed with the New York State Insurance Department, and shall furnish such additional reports and other information as the Secretary of the Treasury may reasonably require. A copy of each such report shall be furnished by the Secretary of the Treasury to the chairman of the Committee on Ways and Means of the House of Representatives and the chairman of the Committee on Finance of the Senate.

(d) The Secretary of the Treasury or his delegate is authorized to prescribe such regulations as may be necessary to carry out the purposes of this Act.

(e) This Act shall be effective on and after August 20, 1975.

The SPEAKER. Is a second demanded?

Mr. CONABLE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The Chair recognizes

the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Speaker, H.R. 11700 is designed to complete the Federal Government's role in assisting the city of New York to achieve an orderly restructuring of its finances.

The bill allows five New York City pension funds to purchase securities from the city of New York, under the agreement worked out between the pension funds, certain sinking funds, commercial banks, and the Municipal Assistance Corporation on November 26, 1975. In that agreement, the pension funds, as part of their commitment to assist the city, agreed to purchase $2.53 billion of New York City serial bonds at an agreed upon schedule.

The legislation is designed to permit the purchases by the pension funds of these bonds without violating the prohibited transactions rules of the Internal Revenue Code, or the requirement that pension plans be for the exclusive benefit of employees and their beneficiaries. If these provisions were violated, the employees covered by the plans could be taxed currently on their vested benefits, the employees would lose estate and gift tax exclusions, and they would not be entitled to special lump-sum distribution rules of the tax law. Under the agreement, the pension funds need not buy the bonds if this would violate either of these provisions of the tax laws. Then, the banks do not need to make their purchase if the pension funds do not, and this would mean an end to the whole plan for the sale of the New York City bonds.

The legislation permits the five pension plans to engage in the following transactions without endangering the tax status of the plans: First, to enter into the November 26, 1975, agreement; second, to acquire and hold securities under the agreement; third, to make elections and waivers under the agreement; and, fourth, to perform other acts provided by the agreement. Also, the legislation permits the plans to take the financial condition of the city into account in making investment decisions.

Amendments and waivers of provisions of the agreement which affect the tax status of the pension plans are to be disapproved by the Secretary of the Treasury if found to be inconsistent with the purposes of the legislation. The Secretary has 30 days after receipt of such proposed amendments or waivers and supporting material to make this determination. Also, reports to the Treasury and the Congress must be furnished periodically on the financial status of the plans.

In providing this exception for the pension plans involved in the November 26, 1975, agreement, the committee weighed the Federal interest in allowing the city of New York to achieve financial soundness again, against possible risks to the pension funds, and the possible precedent that this limited legislation might set. The legislation has been drafted as narrowly as possible to solve the immediate problem, and the committee wishes to be strongly on record that this bill should not be regarded as a precedent either for private pension plans in financial distress or even for other governmental units which find themselves in financial distress.

Mr. Speaker, I know of no opposition to this legislation. It is absolutely essential in order to put into effect the agreement that has been worked out with respect to the financing of New York City.

I urge adoption of H.R. 11700.

Mr. BAUMAN. Mr. Speaker, will the gentleman from Oregon yield for a question

Mr. ULLMAN. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, as I understand it, this legislation waives the provisions of the Internal Revenue Code which requires all pension funds to be invested in a prudent manner with adequate security of return and this is being waived in the case of the city of New York. Is it felt by the officials of the city of New York or the pension fund managers that this investment is indeed of such a dubious character that it would fall within the prohibitions of the law as now written; that this is, in fact, a risky investment.

Mr. ULLMAN. The trustees of the pension funds themselves are asking for this legislation in order to make it crystal clear that the prudent man rule is not being violated. Their request makes it a moot question.

Mr. BAUMAN. Well, if the gentleman will yield further, he says it is a moot question. I think it is a rather pertinent question as to whether or not this legislation should be passed. I certainly am not, as a representative of the State of Maryland, primarily concerned with the welfare of the people paying into pension funds in New York, but it seems to me the legislation itself is an indictment of the entire New York aid bill which passed earlier this year.

That leads to my second question: I read in the report an estimate of the need for this bill based on New York's financial position up until December, but I see no discussion of the current status of how this bailout plan is working now. All the news stories I have seen indicate that this plan is going to fail even under its present terms with the $2.3 billion this Congress voted to subsidize New York. Was there any testimony taken on this point?

Mr. ULLMAN. Mr. Speaker, let me say to my friend from Maryland that the Ways and Means Committee shares his concern with respect to this whole problem. But what we have before us here is an implementation of the original plan. In other words, the original agreement that was entered into by all of the various groups that I have mentioned contemplated this precise action as a part of the overall implementation of the plan. If we fail to pass this legislation, then we are not even giving the original plan an opportunity to work. For that reason, the committee feels very strongly that it is absolutely essential to pass this legislation in order to make it possible for the original agreement that was entered into to work.

Mr. BAUMAN. If the gentleman will yield further, I understand the gentleman's answer, and I can understand why he constantly restates that proposition. But my question to him was: Even if we allow this bill to pass and the bail out plan which was authorized 3 or 4 months ago goes into effect, has the gentleman's committee addressed itself to the very real possibility that the entire New York financing arrangement is going to fail anyway, whether or not these pension funds are used?

Mr. ULLMAN. Unless we pass this legislation, we have not even given the original worked-out plan the opportunity to work. And I think that the Congress owes it to the city of New York and to all of the participants in that agreement to pass this legislation, at least give it an opportunity to work. There may be problems ahead and there may have to be further tightening in the period ahead but I think that, if the economy continues to improve in the same manner it has for the past several months, the plan can be made to work, perhaps with some adjustments and New York will not have as serious a crisis as it has had in the past. Of course, I cannot be sure it will work. But I think we owe it to them to pass this legislation and at least give the plan an opportunity to work.

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

Mr. ULLMAN. I yield to the gentleman from New York (Mr. RANGEL), a member of the committee.

Mr. RANGEL. I thank the gentleman for yielding.

Mr. Speaker, in further response to the question of the gentleman from Maryland, the trustees of the five pension funds involved share the same concerns about the funds as the gentleman does. And, further, there is some question in their minds as to whether or not the purchase of the municipal obligations in fact violated the exclusive benefit rule and other provisions in the Internal Revenue Code.

The participation of the pension funds was made with the understanding that the purchase would not jeopardize their tax exempt status. The Internal Revenue Service issued letters of intent which the pension funds relied on as assurance that bond purchases would not constitute prohibited transactions. It was then determined that congressional action would be necessary to avert the loss of tax qualified status of the pension funds.

The Congress manifested its intent to assist the city of New York in December when we adopted H.R. 10481 providing up to $2.3 billion in Federal loans to the city. H.R. 11700 is a necessary part of the total package of measures to save the city from default. We realize that it is now up to the city to effectively restructure its fiscal system to avert a default. Failure to pass this legislation, however, would be a detrimental retraction of the intent previously stated by Congress and would be certain to impede any future progress by the city.

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

Mr. Speaker, I rise in support of this bill, which will permit five New York City pension plans to purchase obligations of New York City and the Municipal Assistance Corporation—MAC—pursuant to an agreement dated

November 26, 1975—the agreement—worked out among those plans, a number of New York City banks and sinking funds, and MAC, without such action being considered in violation of the Internal Revenue Code provisions applicable to qualified pension plans. The agreement provides for the purchase by those pension plans of approximately $2.5 billion in bonds of the city, under certain conditions.

Those conditions have included: First, enactment of direct Federal financial assistance to the city; second, enactment by the State of New York of legislation indemnifying the trustees of the pension plans and others from any financial loss arising from suits stemming from purchase by the funds of such city obligations, or from the sale of assets by the funds in order to make purchases; and third, receipt of either a favorable ruling from the Internal Revenue Service, or passage of appropriate legislation by the Congress, to the effect that such purchases would not constitute "prohibited transactions" or otherwise have an adverse impact upon the "qualified status" of the pension funds under the Internal Revenue Code. Participation of the other parties to the agreement, particularly the commercial banks, is conditional upon participation of the pension funds.

In early December 1975, the New York State Legislature passed the appropriate legislation indemnifying trustees and others, as required in the agreement. Also in December, Congress provided financial assistance to the city of New York to smooth out, by direct Federal loans, seasonal fluctuations in the city's budget receipts during the fiscal year. Last, the Internal Revenue Service provided restricted "letters of intent to rule" in December with respect to the acquisition by the funds of additional New York City debt securities.

This legislation is necessary in order to permit the funds to assist the city without endangering their tax qualified status. Specfically, a qualified plan under the Internal Revenue Code must be for the "exclusive benefit" of employees and their beneficiaries. If a plan breaches this requirement, it will be disqualified. Should the New York City pension plans become disqualified, their special tax treatment would end and employees would be taxed currently on the value of vested benefits, special estate and gift tax exclusions would not be available, and lump sum distributions would be accorded no special treatment.

Also, under rules applicable to government plans, a pension fund which engaged in a "prohibited transaction" would lose its tax exemption. Such prohibited transactions would include any in which the trust loaned any part of its income or its principal, without receiving adequate security or a reasonable rate of interest, to the creator of the trust, any person who had made a substantial contribution to the trust, and to certain other persons. A fund could also breach these rules by purchasing in substantial amounts securities or other property for more than adequate consideration, or by engaging in any action which resulted in substantial diversion of income or principal, to such a person.

Given the relationship between these funds and the city of New York, it is clear that performance under the agreement on the part of the pension funds would raise a number of very serious questions regarding whether or not the "exclusive benefit" or "prohibited transaction" rules of the Internal Revenue Code had been violated. In light of these questions, absent this legislation the trustees of the New York City pension funds are faced with possible legal difficulties in performing under the agreement, if they are to act in a prudent manner as fiduciaries. The State of New York has already adopted legislation which permits the trustees to take into account for investment purposes factors other than the exclusive benefit of the employees, including the extent to which investments pursuant to the agreement will maintain the ability of the city of New York to make future contributions to the retirement funds and systems and to satisfy the city's future obligations to pay pension and retirement benefits to members and beneficiaries of the systems and funds.

Under these exceptional circumstances, I believe that the Congress must adopt this legislation in order to permit the pension funds to contribute to the effort to improve New York City's financial situation. This legislation is required in order that the program of Federal aid to New York City which the Congress adopted in December 1975 may be implemented and New York City's financial affairs moved toward a fiscally responsible basis.

I would like to make clear to my fellow Members of the House that this bill applies in these specific circumstances only, and that the committee is not recommending any policy decision with regard to exemption of any other pension funds, public or private, from the "exclusive benefit" or the "prohibited transaction" rules of the Internal Revenue Code. More plainly, this bill should not be regarded as precedent for other situations. I urge its passage.

Mr. ULLMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, I rise in support of my bill, H.R. 11700, reported from the Ways and Means Committee to be voted on today.

The bill allows five New York City employee retirement systems to invest $2.5 billion in bonds of the city and the Municipal Assistance Corporation without losing their tax-exempt status under the provisions of the Internal Revenue Code.

The obligation for the pension funds to make such purchases are expressly conditioned under a November 1975, agreement between the pension funds, certain New York City banks and sinking funds and the Municipal Assistance Corporation to secure financing to prevent default of the city while it is restructuring its fiscal system. The participation of the pension funds was made with the understanding that the purchase would not jeopardize their tax-exempt status. The Internal Revenue Service issued letters of intent which the pension funds relied on as assurance that bond purchases would not constitute prohibited transactions. It was then determined that congressional action would be necessary to avert the loss of tax qualified status of the pension funds.

The Congress manifested its intent to assist the city of New York in December when we adopted H.R. 10481 providing up to $2.3 billion in Federal loans to the city. H.R. 11700 is a necessary part of the total package of measures to save the city from default. The bill has the full support of the Treasury. I urge you to give it your support.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation presently under consideration.

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

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 11700, as amended.

The question was taken.

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

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 298, nays 45, not voting 89, as follows:

[Roll No. 73]

YEAS—298

Abzug	Cederberg	Forsythe
Adams	Chisholm	Fountain
Addabbo	Clausen,	Frenzel
Alexander	Don H.	Frey
Allen	Clay	Gaydos
Ambro	Cleveland	Giaimo
Anderson, Ill.	Cohen	Gilman
Andrews,	Conable	Ginn
N. Dak.	Conte	Gonzalez
Annunzio	Corman	Gradison
Ashley	Cornell	Gude
Aspin	Cotter	Guyer
AuCoin	Coughlin	Hagedorn
Bafalis	D'Amours	Haley
Baldus	Daniel, Dan	Hall
Baucus	Daniel, R. W.	Hamilton
Beard, R.I.	Daniels, N.J.	Hanley
Bedell	Danielson	Hannaford
Bennett	Davis	Harkin
Bergland	de la Garza	Harris
Bevill	Delaney	Harsha
Biester	Dellums	Hays, Ohio
Bingham	Dent	Heckler, Mass.
Blanchard	Derrick	Hefner
Blouin	Downey, N.Y.	Helstoski
Boggs	Downing, Va.	Henderson
Brademas	Drinan	Hicks
Breaux	Duncan, Oreg.	Hightower
Breckinridge	Early	Hillis
Brodhead	Edwards, Calif.	Holtzman
Brooks	Eilberg	Horton
Broomfield	Emery	Howard
Brown, Mich.	English	Howe
Brown, Ohio	Evans, Ind.	Hubbard
Broyhill	Evins, Tenn.	Hughes
Buchanan	Fary	Hungate
Burgener	Fascell	Hyde
Burke, Mass.	Fenwick	Ichord
Burleson, Tex.	Findley	Jacobs
Burlison, Mo.	Fish	Jarman
Burton, John	Fisher	Jeffords
Burton, Phillip	Fithian	Jenrette
Butler	Flood	Johnson, Calif.
Byron	Florio	Johnson, Pa.
Carney	Flynt	Jones, Ala.
Carr	Ford, Mich.	Jones, Okla.

Jordan
Karth
Kasten
Kastenmeier
Kazen
Kemp
Ketchum
Keys
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
McClory
McCormack
McDade
McFall
McKay
McKinney
Madden
Madigan
Maguire
Mahon
Martin
Mathis
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mink
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nichols
Nowak
Oberstar
Obey
O'Brien
O'Hara
Ottinger
Passman
Patten, N.J.
Patterson, Calif.
Pattison, N.Y.
Perkins
Peyser
Pickle
Pike
Poage
Preyer
Price
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schneebeli
Schroeder
Sebelius
Seiberling
Sharp
Shipley
Shriver
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Sullivan
Talcott
Taylor, N.C.
Thompson
Thone
Traxler
Treen
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Waggonner
Walsh
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, C. H.
Wilson, Tex.
Wolff
Wright
Yates
Yatron
Young, Alaska
Young, Tex.
Zablocki

NAYS—45

Abdnor
Anderson, Calif.
Armstrong
Ashbrook
Bauman
Brinkley
Carter
Clancy
Clawson, Del
Cochran
Collins, Tex.
Crane
Derwinski
Dickinson
Duncan, Tenn.
Edwards, Ala.
Erlenborn
Gibbons
Goldwater
Goodling
Grassley
Hansen
Hechler, W. Va.
Holt
Hutchinson
Johnson, Colo.
Kelly
Lott
McDonald
Moorhead, Calif.
Motti
Myers, Ind.
Myers, Pa.
Pressler
Roberts
Satterfield
Schulze
Snyder
Spence
Symms
Taylor, Mo.
Teague
Wilson, Bob
Winn
Young, Fla.

NOT VOTING—89

Andrews, N.C.
Archer
Badillo
Barrett
Beard, Tenn.
Bell
Biaggi
Boland
Bolling
Bonker
Bowen
Brown, Calif.
Burke, Calif.
Burke, Fla.
Chappell
Collins, Ill.
Conlan
Conyers
Devine
Diggs
Dingell
Dodd
du Pont
Eckhardt
Edgar
Esch
Eshleman
Evans, Colo.
Flowers
Foley
Ford, Tenn.
Fraser
Fuqua
Green
Hammer-schmidt
Harrington
Hawkins
Hayes, Ind.
Hébert
Heinz
Hinshaw
Holland
Jones, N.C.
Jones, Tenn.
Kindness
Landrum
Litton
McCloskey
McCollister
McEwen
McHugh
Macdonald
Mann
Matsunaga
Metcalfe
Michel
Mills
Mitchell, Md.
Moakley
Moffett
Mollohan
Moss
Nix
Nolan
O'Neill
Patman, Tex.
Pepper
Pettis
Rhodes
Risenhoover
Roncalio
Rousselot
Runnels
Ruppe
Ryan
Steiger, Ariz.
Stephens
Symington
Thornton
Tsongas
Udall
Vigorito
Wampler
Wiggins
Wirth
Wydler
Wylie
Young, Ga.
Zeferetti

The Clerk announced the following pairs:

Mr. Chappell with Mr. Flowers.
Mr. Hawkins with Mr. Ford of Tennessee.
Mr. Pepper with Mr. Edgar.
Mr. O'Neill with Mr. Foley.
Mr. Patman with Mr. Fraser.
Mr. Hébert with Mr. Esch.
Mr. Runnels with Mr. Eshleman.
Mr. Zeferetti with Mrs. Collins of Illinois.
Mr. Mitchell of Maryland with Mr. Eckhardt.
Mr. Diggs with Mr. Beard of Tennessee.
Mr. Macdonald of Massachusetts with Mr. Hammerschmidt.
Mr. Barrett with Mr. Andrews of North Carolina.
Mr. Badillo with Mr. Brown of California.
Mr. Green with Mr. Hayes of Indiana.
Mr. Fuqua with Mr. Bell.
Mr. Nix with Mr. Harrington.
Mr. Symington with Mr. Archer.
Mr. Udall with Mr. Heinz.
Mr. Matsunaga with Mr. Conlan.
Mr. Vigorito with Mr. Jones of North Carolina.
Mr. Wirth with Mr. Burke of Florida.
Mr. Dodd with Mr. Landrum.
Mr. Dingell with Mr. Kindness.
Mr. Bowen with Mr. McCloskey.
Mr. Jones of Tennessee with Mr. Devine.
Mr. Litton with Mr. McCollister.
Mr. Mann with Mr. Mills.
Mr. McHugh with Mr. Moffett.
Mr. Metcalfe with Mr. Boland.
Mr. Moakley with Mr. Mollohan.
Mr. Ryan with Mr. McEwen.
Mr. Roncalio with Mr. Moss.
Mr. Biaggi with Mr. Nolan.
Mrs. Burke of California with Mr. Holland.
Mr. Conyers with Mr. Bonker.
Mr. Evans of Colorado with Mr. Young of Georgia.
Mr. Stephens with Mr. Thornton.
Mr. Risenhoover with Mrs. Pettis.
Mr. Rousselot with Mr. Tsongas.
Mr. Steiger of Arizona with Mr. Ruppe.
Mr. Wampler with Mr. Wiggins.
Mr. Wydler with Mr. Wylie.

Messrs. DANIELSON and HALEY changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FINANCIAL ASSISTANCE FOR ELEMENTARY AND SECONDARY EDUCATION ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-386)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee on Education and Labor and ordered to be printed:

To the Congress of the United States:

The education of our children is vital to the future of the United States. From the start, our Founding Fathers knew that ignorance and free government could not co-exist. Our nation has acted from the beginning on the sound principle that control over our schools should remain at the State and local level. Nothing could be more destructive of the diversity of thought and opinion necessary for national progress than an excess of control by the central government.

In recent years, our national sense of fairness and equity has led to an increasing number of Federal programs of aid to education. The Federal government has recognized a responsibility to help ensure adequate educational opportunities for those with special needs, such as the educationally deprived and the handicapped. We have appropriately provided States and localities with added resources to help them improve opportunities for such students. At the same time, we have channeled our aid into too many narrow and restrictive categorical programs. As a result, we have made it more difficult for the schools to educate.

It is time that we reconcile our good intentions with the recognition that we at the Federal level cannot know what is best for every school child in every classroom in the country.

In my State of the Union address, I spoke of the need for a new realism and a new balance in our system of Federalism—a balance that favors greater responsibility and freedom for the leaders of our State and local governments.

Our experience in education demonstrates that those principles are not abstract political philosophy, but guides to the concrete action we must take to help assure the survival of our system of free government. We must continually guard against Federal control over public schools.

I am proposing today the Financial Assistance for Elementary and Secondary Education Act which will consolidate 24 existing programs into one block grant. The focus of this block grant will be on improved educational opportunities for those with special needs—the handicapped and educationally deprived. Federal funds will be provided with a minimum of Federal regulation and a maximum of local control. My proposal is based on the conviction that education needs can be most effectively and creatively met by allowing States greater flexibility in the use of Federal funds.

I am particularly pleased at the extent to which my proposal reflects extensive consultations with individuals, organizations representing publicly elected officials and leaders in the education community. The proposal has been modified and strengthened since the time of my State of the Union message as a result of suggestions we received. I am convinced it represents essential changes in our system of providing aid to education.

My proposals will consolidate programs in the following areas:

—Elementary and Secondary Education
—Education for the Handicapped
—Adult Education
—Vocational Education

To assure that students with special needs receive proper attention the proposed legislation provides that 75 percent of a State's allocation be spent on the educationally deprived and handicapped, and that vocational education programs continue to be supported. The same strong civil rights compliance procedures that exist in the programs to be consolidated are included in this legislation.

Under the proposed legislation, funds will be allocated to States based on a formula which takes into account the number of school-aged children and the number of children from low-income families. No State will receive less money than it did in Fiscal Year 1976 under the programs to be consolidated. Further, local education agencies will be assured that the funds will reach the local level, where children are taught and where control should be exercised.

Vocational education is an important part of our total education system. Here, too, my proposal seeks greater flexibility at the local level while maintaining Federal support. States would be required to spend a portion of the funds they receive on vocational education, giving special emphasis to the educationally deprived and the handicapped.

Non-public school and Indian tribal children would continue to be eligible for assistance under this proposal. Where States do not serve such children, the Commissioner of Education will arrange to provide funds directly, using the appropriate share of the State's funds.

The proposed legislation will require States to develop a plan, with public participation, for the use of Federal funds. All interested citizens, students, parents and appropriate public and private institutions will participate in the development of the plan. States will be required to develop procedures for independent monitoring of compliance with their plan. State progress will be measured against the plan, but the plan itself will not be subject to Federal approval.

For Fiscal Year 1977 I am requesting $3.3 billion for the education block grant. For the next three fiscal years, I am proposing authorizations of $3.5 billion, $3.7 billion and $3.9 billion. For too long the real issue in our education programs—Federal versus State and local control—has been obscured by endless bickering over funding levels. Hopefully, with these request levels, we can focus the attention where it belongs, on reform of our education support programs.

Enactment of this legislation will allow people at the State and local level to stop worrying about entangling Federal red tape and turn their full attention to educating our youth.

I urge prompt and favorable consideration of the Financial Assistance for Elementary and Secondary Education Act.

GERALD R. FORD.

THE WHITE HOUSE, *March 1, 1976.*

PERMISSION FOR COMMITTEE ON AGRICULTURE TO FILE REPORT ON S. 1545

Mr. BERGLAND. Mr. Speaker, I ask unanimous consent that the House Committee on Agriculture have until midnight tonight, Monday, March 1, 1976, to file a report on the Senate bill (S. 1545) to amend the Agricultural Adjustment Act of 1938 with respect to peanuts.

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

There was no objection.

INCREASE IN THE DEBT CEILING AND FOREIGN AID

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

Mr. ALLEN. Mr. Speaker, last Wednesday, I voted against increasing the national debt limit.

One proposal was that of the President and his administration to increase the borrowing power and debt ceiling of the Federal Government by $50 billion, from $595 billion up to $645 billion, between now and September 30. The other proposal, submitted by the House Ways and Means Committee, was to authorize an increase in the debt limit by $32 billion between now and June 30.

Inasmuch as I was opposed to and did not vote for either proposal, I think a word of explanation is in order, that will reveal certain facts which the taxpayers are entitled to know.

I am informed there will be presented to the House, probably this week, a foreign aid bill calling on Uncle Sam to spend billions of dollars in the coming year for 406 new projects in more than 90 different foreign countries around the world.

This foreign aid bill, which I understand will have the support of the President and Secretary of State Henry Kissinger, will have to be paid for, as we all know, by the taxpayers of this Nation. Because of the already huge deficit spending of the Federal Government, this will mean that we will have to borrow the money by issuing still more bonds, and putting our Government still further in debt; thus explaining in part, at least, the huge increase proposed in the Federal debt ceiling.

By contrast with these 406 new foreign aid projects, which American taxpayers will be asked to finance—which constitutes a substantial increase in this Government's foreign giveaway program—I am informed that there is in the President's budget not one penny to start a single new public works project in any of the 50 States of our own country.

This, mind you, is at a time when there are millions of unemployed people right here at home, and while there are many worthwhile public projects already on the drawing board across the Nation which could give work to our people, reduce unemployment, and reduce unemployment compensation payments which are tremendous drains on the tax dollars of the Federal and all 50 State governments.

One other fact is of striking significance. As we have been informed, the national debt now stands at approximately $595 billion. The total amount the United States has spent out of the Treasury in various forms of foreign aid programs, since its beginning, now approaches one-half trillion dollars—$500 billion. It just so happens that this figure is almost the exact amount of the cumulative deficits and resulting debts of the U.S. Government since these foreign aid programs began.

Somehow, some way, we must put the brakes on this waste of billions of dollars of the American taxpayers' money that is going into these foreign aid programs around the world. Indeed, if we would simply determine to cut back on some of these billions of dollars that are now being frittered away on foreign aid—and approve only worthwhile and deserving projects in those nations which are truly our friends—we could immediately cut billions of dollars from our deficit spending, and would have no need for increasing the debt ceiling and borrowing authority of the Treasury by anything like the amount proposed this past week.

Instead, we persist and continue to spend billions of dollars on nations which do not refer to us as Uncle Sam—but perhaps more appropriately as "Uncle Sap"—which indeed we are when by doing so we neglect the needs of our own people and so many of the worthwhile public works projects right here in our own country.

My vote against increasing the debt ceiling, therefore, was simply my way of registering at least one feeble protest against this policy of misplaced priorities, which must be brought to an end.

I think our own taxpayers must begin to receive the full benefits of their hard-earned dollars, and I shall continue to oppose proposals of this or any other administration that would divert money needed for Americans to foreign nations, many of which would not lift a little finger to help us if the situation were reversed.

THE SOCIETY OF FORMER SPECIAL AGENTS OF THE FBI

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

Mr. BURLESON of Texas. Mr. Speaker, the Society of Former Special Agents of the Federal Bureau of Investigation was incorporated in the State of New York on July 17, 1937. It has a membership of 6,483 members within the United States and 36 foreign countries. Membership is open exclusively to former FBI agents of good moral character who served with fidelity to their oaths of office, loyalty to the service and to their fellow agents.

Former FBI agents are proud of proven record of devotion and service to the United States. They are equally proud of efforts which earned for the FBI its reputation as the foremost law enforcement agency in the world. The preservation of the security and assuring this Nation's well-being and freedom are of paramount concern to this society and its members.

The society is deeply concerned with the unwarranted attacks and distorted reports of the operations of the FBI which are destroying the confidence and the respect the public has for the FBI at a time when crime is rampant and terrorist activity is increasing.

Mr. Speaker, the attached is the position statement of the society and I wholly endorse and subscribe to it.

POSITION STATEMENT OF THE SOCIETY OF FORMER SPECIAL AGENTS OF THE FEDERAL BUREAU OF INVESTIGATION

The massive volume of one sided adverse criticism of the FBI emanating through the news media at the hands of journalistic opportunists and irresponsible politicians is a threat to the security of the United States.

We urge that congressional hearings not be a forum for unwarranted, baseless attacks on the policies, procedures and personnel of the FBI.

We request the press and the other forms of media to report the proceedings of congressional committees factually and objectively, free of bias or personal opinion.

We recognize the value of constructive criticism of FBI activities and the necessity for clear, reasonable legislative guidelines. These guidelines must not arbitrarily restrict the FBI in discharging its investigative responsibilities as expected by the people under the Federal judicial system and in the best interests of the United States.

We therefore caution that Congress exercise great care in the design of the legislative guidelines and offer the experience of the members of this society as an assistance.

We believe the thinking American public demands a strong, effective intelligence gathering capability adequately manned and sufficiently aggressive to protect the security of this Nation against domestic and foreign threats.

We acknowledge the dedication and contributions to this Nation of John Edgar Hoover, Director of the FBI from 1924–1972, who, guided by the highest motives, created standards of excellence which are legend in all law enforcement.

We commend the leadership of the FBI under Director Clarence M. Kelley and assure our continued solid cooperation and support.

Unanimously adopted by board of directors as duly authorized representatives for the members of the society.

President: Ralph H. Jones, Utah.

President-elect: James L. McGovern, Georgia.

Foundation chairman: William A. Murphy, Texas.

Secretary: Lee O. Teague, Oklahoma.

Treasurer: William J. Hurley, California.

Members at large: John K. Burge, Missouri; Frank L. Price, California; Charles H. Stanley, Arkansas.

Northeast vice-president: Henry W. Anderson, New York.

Mid-Atlantic vice-president: Warren L. Love, Washington, D.C.

Southeast vice-president: Leo M. Nagle, Florida.

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Western vice-president: Philip L. Schiedermayer, California.

"PRIVILEGE INDISCREETLY STRETCHED"

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

Mr. BROOKS. Mr. Speaker, an editorial from the Washington Star on Friday describes President Ford's effort to block an investigation by the House Government Operations Committee as the most extravagant extension of executive privilege in our history.

I agree. The Subcommittee on Government Information and Individual Rights efforts to learn more about the interception by Government agencies of private overseas communications of American citizens is in full keeping with our oversight responsibilities.

But President Ford has instructed the Government employees who were subpenaed by the Government Operations Committee not to comply with them, and in an unprecedented extension of the claim of executive privilege has even ordered private corporations to refuse to comply with their subpenas.

Mr. Speaker, the Government Operations Committee has always dealt fairly and squarely with the issues before it. We cannot tolerate this unilateral attempt to ignore duly authorized congressional subpenas.

As the Star editorial states:

Should this elaboration of privilege stand, the investigative powers of Congress will be curtailed to the vanishing point.

I ask unanimous consent to insert the editorial at this point in the RECORD.

[From the Washington Star, Feb. 27, 1976]

PRIVILEGE INDISCREETLY STRETCHED

When the President and Congress can find nothing more productive to fight over, someone can always pick an interesting scrap over what has been known for some 25 years as "executive privilege."

The doctrine that a President may draw a veil of confidentiality over certain executive proceedings, which is older than the label, has been traced to the first collision between an investigating Congress and a protective administration—the effort of a House select committee in 1792 to learn how and why Gen. Arthur St. Clair suffered a military disaster at the hands of the Indians. The committee demanded the records.

It was President Washington's wish, according to Secretary of State Thomas Jefferson, to assure that "so far as it should become a precedent it should be rightly conducted." The Cabinet unanimously concluded, in Jefferson's words, that "the executive ought to communicate such papers as the public good would permit, and ought to refuse those, the disclosure of which would endanger the public. Consequently they were to exercise a discretion." in the event, President Washington co-operated with the House; its report ultimately exonerated General St. Clair.

From that day to this, through the obscure twists and turns of the executive privilege controversy, including Richard Nixon's vain effort to sequester evidence of criminal acts, there has been no more extravagant use of the doctrine than President Ford's order barring a House subcommittee's access to information about telegraph cable interceptions.

Until about a year ago, the FBI and the National Security Agency were routinely obtaining and reading thousands of cables sent overseas by American citizens. The practice lasted for about three decades. It is the sort of thing Congress is certainly entitled to investigate, and for the life of us we cannot understand why "the public interest," in Mr. Ford's words, "requires that the records not be disclosed."

Not only have five present or past public officials accordingly defied the subcommittee's subpoenas; the officials of the private telegraph companies are also, at this writing, expected to decline to furnish the subpoenaed information.

"Not to my knowledge," says Rep. Bella Abzug, the subcommittee chairman, "has a corporation ever sought to claim that it could not produce documents because a President invoked executive privilege."

The briefest reflection on this sweeping new extension of the executive privilege doctrine suffices, we think, to suggest its absurdity. There may be a case for protecting the records of the FBI or the National Security Agency in this matter. But what is the case for dropping the veil of "privilege" over the records of the telegraph companies? In cooperating, no doubt for public-spirited if unreflective reasons, with this violation of personal privacy they were certainly not functioning as executive agencies. Should this elaboration of privilege stand, the investigative powers of Congress will be curtailed to the vanishing point.

The courts have ruled on occasion that congressional investigations can't be mere fishing expeditions, that they must bear some reasonably clear legislative purpose. Fair enough. In this case, however, the legislative purpose is entirely clear. American citizens are entitled to expect that private communications, overseas cables no less than letters, will be protected by law against governmental snooping. Perhaps evidence of criminal behavior would justify exceptions, but only then under the proper legal warrant required by the Fourth Amendment for searches and seizures.

In limited doses, executive privilege remains a valuable safeguard of presidential confidentiality, as Justice Burger noted in his opinion in the Nixon tapes case. But a President ought to remember Jefferson's words and "exercise a discretion." The privilege has been most indiscreetly broadened in this case. Mr. Ford is the victim of bad advice.

LEGISLATION TO AMEND FEDERAL WATER POLLUTION CONTROL ACT

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

Mr. JONES of Alabama. Mr. Speaker, I am introducing legislation today which will amend section 315(h) of the Federal Water Pollution Control Act to provide an additional authorization of $250,000 for the study being conducted by the National Commission on Water Quality.

The Commission was established by the Congress for the purpose of making a full and complete investigation and study of all of the technological aspects of achieving, and all aspects of the total economic, social, and environmental effects of achieving or not achieving, the effluent limitations and goals of the act. A total of $17,000,000 has been authorized for this effort and the Commission has recently published a draft report which has been available for public review and comment.

The additional authorization of $250,000 will allow the Commission sufficient time to fully consider the public's comments in preparing its recommendations to the Congress. Approximately $100,000 of this authorization will be used to replace Commission funds that lapsed before they could be utilized. If these additional funds are authorized, the Commission anticipates that its final report will be completed by April 15, 1976, and transmitted to the Congress by May 1, 1976. This legislation would authorize the necessary additional $250,000.

The bill will be considered by the full Committee on Public Works and Transportation on Wednesday, March 3, 1976, and hopefully will be reported immediately. I intend to bring the bill to the floor as soon as possible thereafter.

PERSONAL EXPLANATION

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

Mr. BRECKINRIDGE. Mr. Speaker, due to the flu epidemic, I was unable to be here for the proceedings on the following days: Wednesday, February 18, Thursday, February 19, Monday, February 23, and Tuesday, February 24. I mised quorum calls Nos. 59, 61, 65, 66. Had I been here, I would have voted "yea" on rollcall No. 60, the House Joint Resolution 801 which made supplemental railroad appropriations for the fiscal year 1976, the transition period ending September 30, 1976, and the fiscal year 1978 and 1979.

I would have voted "nay" on rollcall No. 63, which would have referred House Resolution 1042 to the Committee on Rules.

I would have voted "yea" on rollcall No. 64, House Resolution 1042 requiring that the Committee on Standards of Official Conduct inquire into the circumstances leading to the public publication of a report containing classified material prepared for the House Select Committee on Intelligence.

I would have voted "yea" on rollcall No. 67, House Joint Resolution 811 which provides supplemental appropriations for the legislative branch for the fiscal year ending June 30, 1976.

THE FINANCIAL ASSISTANCE FOR ELEMENTARY AND SECONDARY EDUCATION ACT—A BETTER PLAN

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

Mr. QUIE. Mr. Speaker, I have introduced today the Financial Assistance for Elementary and Secondary Education Act. This bill is the President's proposal to consolidate 24 existing programs of assistance for elementary, secondary, handicapped, adult, and vocational education.

Following the release of the President's budget in January, a tentative description of the bill was included in briefings held on the fiscal year 1977 budget. As the result of what I heard at that time, I stated my view that the proposed legislation was not soundly conceived; and I therefore could not introduce it.

Since then I am happy to report there has been a long series of negotiations involving myself, HEW, OMB, and the White House which have resulted in a large number of significant modifications to the description conveyed with the 1977 budget. As a result of those changes, I am now prepared to give this bill my full support.

Among the most significant of those changes is the elimination of the public and college library programs from the bill, and the establishment of separate titles for handicapped and compensatory education on the one hand and vocational education on the other has assured the integrity of those major areas. In addition, the bill provides that States may use funds in title II for the education of adults, for the support of school libraries, for the purchase of instructional equipment, for guidance and counseling services, and for programs of innovation.

Another major change relates to the fact that there are certain functions of a national impact nature which can best be performed by the Office of Education. These include, for example, the support of centers producing captioned films for the deaf and demonstration programs in areas such as vocational education. The bill which I introduced today retains five specific functions to be performed by the Commissioner on a national-service basis. These five programs are included in title IV of the bill for which $69 million has been authorized, an amount equivalent to the fiscal year 1976 appropriation level. These areas include media and captioned films, deaf-blind centers, programs of innovation for the handicapped, regional resource centers, and programs innovation in vocational education.

As my colleagues know, this is not the first attempt to consolidate elementary and secondary education programs, thereby returning a good measure of decisionmaking power to the States which are, after all, constitutionally charged with the provision of education services. My own attempts to restore the balance between Washington and State capitals dates back 10 years. Some success in that area was achieved in 1974 in Public Law 93-380. The bill I introduce today fulfills many of my objectives related to Federal aid for elementary and secondary education. The Federal presence is there; but so, too, is a large degree of local autonomy and a healthy balance of respective roles and goals.

In 1972 consolidation legislation entitled "Education Special Revenue Sharing" was attempted. That legislation failed for a number of good and sufficient reasons, including the failure of the administration to pledge that consolidation would not be used to reduce the Federal commitment to education. One of the most significant things about the bill transmitted today is the fact that the President has agreed to a continued increase in the Federal level of funding if the consolidation legislation is adopted. That should put to rest once and for all the charge that any consolidation bill would only result in a decreased level of Federal support.

For the information of my colleagues, I am including at this point a factsheet on the bill. I commend this proposed legislation to my colleagues and urge them to join me in sponsorship:

FACT SHEET: FINANCIAL ASSISTANCE FOR ELEMENTARY AND SECONDARY EDUCATION ACT

I. BACKGROUND

The Federal Government supports about 7 percent of the total cost of elementary and secondary education. The bulk of that support is channeled through numerous narrow categorical programs. It is distributed through States to local educational agencies through mechanisms that take into account such factors as school age population and income levels of students' families.

The Federal effort has helped to assure that children with special needs receive an equal educational opportunity, but it has also led to the promulgation of layers of rules and regulations and the imposition of administrative burdens at the local level which are unrelated to the development of programs of quality education.

In his State of the Union address the President announced his intention to propose consolidation of a number of education programs into one block grant in order to minimize the intrusiveness and burden of Federal regulations while continuing appropriate Federal support for education.

II. DESCRIPTION OF PROGRAM

This legislation will consolidate into a single block grant authority the following programs:

1. Titles I, II, III, IV, and V of the Elementary and Secondary Education Act of 1965,
2. The Education of the Handicapped Act,
3. The Vocational Education Act of 1963, and
4. The Adult Education Act.

The bill will have four titles.

Title I—contains all the general provisions relating to appropriations, allotments to States, State planning requirements, and other provisions applicable to the entire bill.

Title II—sets forth minimum criteria for that portion of the funds which will be used for elementary and secondary, handicapped, and adult education programs.

Title III—sets forth minimum criteria for that portion of the funds which will be used for vocational education programs.

Title IV—continues a number of existing programs for research and innovation and certain special services relating to vocational education and education of the handicapped.

III. FUNDS

In fiscal year 1977 (school year 1977–1978) there would be authorized for the purposes of this Act $3.3 billion. This authorization would be increased by $200 million annually in fiscal years 1978, 1979, and 1980.

Of the $3.3 billion available in fiscal year 1977, $3.231 billion would be directly available to States under Titles II and III of the legislation. The $200 million annual additional funding would also be directly available to the States in succeeding years. $69 million would be authorized annually for Title IV for the use of the Commissioner of Education on national impact projects for vocational education and for the handicapped.

The legislation continues to assure, as now, that funds are available to the States and localities before the start of the school year.

IV. PROGRAMS CONSOLIDATED

Listed below are the presently existing programs which will be consolidated in Titles II, III and IV of this Act, together with the actual fiscal year 1975 and 1976 appropriations for those programs.

[In millions of dollars; fiscal years]

Elementary and secondary education	Appropriations 1975	Appropriations 1976
Title II—Elementary and secondary, handicapped, and adult education programs:		
Grants for disadvantaged	1,900	2,050
Support and innovation grants	173	185
Education for the handicapped:		
State grants (pt. B)	100	110
Severely handicapped projects	3	3
Specific learning disabilities	3	5
Early childhood education	13	22
Regional vocational, adult, and postsecondary education	.6	2
Recruitment and information	.5	.5
Special education manpower development	38	40
Adult education	68	72
Library resources: School libraries and instructional resources	137	147

Elementary and secondary education	Appropriations 1975	Appropriations 1976
Title III—Vocational education:		
Basic vocational education	428	423
Programs for students with specific needs	20	20
Consumer and homemaking education	36	41
Work study	10	10
Cooperative education	20	20
State Advisory Council	4	4
Curriculum development	1	1
Research	18	18
Title IV—National impact projects:		
Vocational innovation	16	16
Innovation and development for handicapped	9	11
Deaf-blind centers	12	16
Media services and captioned films	13	16
Regional resource centers for handicapped	7	10
Total	3,030	3,242

The list of programs to be included in the consolidation reflects changes made subsequent to the time the President's fiscal year 1977 Budget was submitted to the Congress. These changes result from discussions which the President directed Administration officials to initiate with leaders in the education community and representatives of State and local officials. These discussions produced a number of helpful suggestions and the President believes they have led to a strengthening of the legislation.

Four programs which dealt with higher education and libraries were deleted from the proposal. They are:

Appropriations

[Dollars in millions]

	Fiscal year 1975	*Fiscal year 1976*
Public Libraries (Library Services & Construction Act)	52	52
College Libraries (Higher Education Act)	10	10
Training & Demonstrations for Libraries (Higher Education Act)	3	2
Undergraduate Instructional Equipment (Higher Education Act)	8	8

A later request will be made to the Congress by the Administration for one-year extension of authorities needed to fund the College Libraries Program. Authority will not be requested for the Training and Demonstration for Librarians or the Undergraduate Instructional Equipment programs. Additional authority is not needed for public libraries.

In the original budget proposal, the Deaf-Blind Centers Program was listed as a separate program. As the legislative proposal was developed, a Title IV, National Impact Program was created, and the Deaf-Blind Centers Program became a part of that Title. A total of 24 programs are now included in the Act.

V. DISTRIBUTION TO THE STATES

The formula for distribution of Federal funds to the States under this Act is based upon the number of children from families below the poverty level and the school-age population (ages five through 17 inclusive) of a State.

Each State would receive as a floor amount either $5 million or the amount it received in fiscal year 1976 for the 24 programs to be consolidated, whichever is less.

Each State would then receive not less than 85 percent of the amount allotted to that State in the preceding fiscal year under the 24 programs now consolidated, less the initial sum referred to in the preceding paragraph.

After these allocations, the remaining funds would be distributed on the basis of 60 percent, on the number of children from families below the poverty level and 40 percent on the basis of school-age population. The sum thus obtained is multiplied by the ratio of the State average per pupil expenditure to the national average per pupil expenditure—however, no State will be treated for purposes of this formula as being at less than 80 percent or more than 120 percent of the national average per pupil expenditure.

No State loses under this formula—all States gain.

In the accompanying detailed analysis, the actions which a State must undertake to receive Federal funding under this Act are described.

In general terms, the State is required to develop a plan for use of Federal funds. That plan must be developed in a public process with ample opportunity for public review and comment. The State plan, as such, is not subject to Federal review, but the progress the State makes as measured against its own plan is subject to Federal review.

The legislation retains in full force all relevant civil rights procedures. It requires service to non-public school children and to Indian tribal children.

The legislation requires that 75 percent of all Federal funds go to serve the needs of the educationally deprived and handicapped. It requires States to pass through Federal funds for use of local educational agencies. It also requires that Federal funds be spent on vocational education needs.

Funds not subject to the requirement for use to serve the educationally disadvantaged or not reserved for vocational education purposes could be used for educational activities such as school libraries, textbooks, educational materials and equipment, guidance, counseling, and testing, innovation and support or for any other educational purpose for which funds could have been used under the programs consolidated by this Act.

Where States do not comply with the requirements of the legislation or meet the commitments set forth in their own plan, the Commissioner of Education has a flexible penalty provision at his disposal.

Finally, Title IV of the legislation would continue the Commissioner's authority to fund certain special projects directly.

VI. STATE PLAN REQUIREMENTS

This legislation will require each State to establish as a matter of State law the structures and procedures of its own planning process. Within that broad flexible authority, each State would be required to:

(1) designate the State agency or agencies to administer the program,

(2) develop and publish a plan for use of the funds,

(3) certify to the Commissioner that it has such a plan, and

(4) certify annually that it has complied with the plan, or inform the Commissioner of any substantial failure to comply with the plan.

Further, States would be required to:

(1) develop procedures for the independent monitoring within the State of compliance with the plan,

(2) submit those procedures to the Commissioner for approval, and

(3) meet certain independent audit, evaluation, and reporting requirements.

The Commissioner's approval authority described in number two above is a limited one. It is granted only to emphasize the importance to the Federal Government of the States establishing the means to comply with their own plans.

With regard to procedures, States would be required to establish means for obtaining the views of appropriate State and local agencies, units of local government, citizens, and private institutions; and establish a means to ensure that the educational needs of all residents of the State are taken into account.

The proposed plan would have to be published at least ninety days prior to the beginning of the program year. Public comment would be accepted for at least forty-five days and the final plan would then have to be published prior to the beginning of the program year. The State would have to summarize and publish the comments received and the disposition thereof.

Finally, the State plan would have to:

(1) set forth objectives of the plan;

(2) provide for the allocation and use of funds within the State in accordance with requirements set forth in Titles II and III;

(3) set forth the policies and procedures used by the State to distribute funds to LEA's (local educational agencies) so that such distribution takes into account the number of handicapped, educationally-deprived, and low-income children in each LEA, with adjustments to reflect the costs in each LEA and the resources available to each LEA for providing services to such children;

(4) set forth the amount of funds to be distributed to each LEA;

(5) describe the organizational structure through which the program will be administered;

(6) describe the process the State will use to ensure adequate planning by local educational agencies for use of these funds;

(7) describe the means by which non-public and Indian tribal school children will be served under the program;

(8) provide that at least 75 percent of the funds is passed through by the State to local educational agencies;

(9) provide that not less than 75 percent of the funds is used to meet the special educational needs of the educationally-deprived and the handicapped; and

(10) provide that the State will not use more than 5 percent of its allocation for administrative purposes, unless a larger percentage of funds under the programs consolidated was available to the State for administration in fiscal year 1976, in which case the State could use up to that amount of funds for administration.

If a State designates a separate State agency to administer its vocational education program under this Act, it could also develop a separate State plan for that purpose. However, that plan would be subject to the same due process provisions as the comprehensive State plan. It would have to be developed in coordination with the comprehensive plan, and be published at the same time and in the same manner as that plan.

VII. COMPLIANCE PROCEDURES

Where a State fails to comply with the above requirements or fails substantially to comply with the provisions of its own plan, the Commissioner has the authority, after notice and opportunity for a hearing, either to make no further payments to the State, or to reduce the amount otherwise payable to the State by up to 3 percent.

The Commissioner could also, after notice and opportunity for a hearing, terminate payments to a State which does not implement or comply with the self-monitoring procedures discussed above. Provision would be made for judicial review of any such determination by the Commissioner.

This provision of the legislation gives the Commissioner new flexibility in applying penalty provsions. Where a State is in substantial non-compliance or indicates refusal to comply, the Commissioner may cut off all funds. Where the non-compliance is of a minor nature and, particularly, where the State is making an effort to comply, the Commissioner will have at his disposal more reasonable penalty provisions.

VIII. CIVIL RIGHTS

If any local educational agency in the State is determined by the Secretary of Health, Education, and Welfare to be out of compliance with Title VI of the Civil Rights Act, Title IX of the Education Amendments of 1972 (relating to discrimination on the basis of sex), or Section 504 of the Rehabilitation Act of 1973 (relating to the discrimination against the handicapped), the State's allotment would be reduced by an amount equal to the percentage which the number of children in the local educational agency is of the total number of children in the State. No funds could be paid to any local educational agency which is out of compliance with those statutes.

IX. NON-PUBLIC SCHOOL CHILDREN

The requirements in this proposal for the participation of non-public school children are similar to those now contained in Title IV of the Elementary and Secondary Education Act. This provision would essentially require that children in non-public schools be given an equitable opportunity to participate in programs assisted by this Act to the extent that they reside in areas served by the programs and have the needs addressed by those programs.

The State would also be required to serve children in Indian tribal schools.

If the State is legally unable, or fails to provide for participation of children as required by the legislation, the Commissioner would arrange for services to such children by contract or otherwise, and deduct the cost thereof from the State's allocation.

X. TITLE II PROVISIONS (ELEMENTARY AND SECONDARY, HANDICAPPED, AND ADULT EDUCATION PROGRAMS)

Title II sets forth minimum requirements for the use of that portion of the funds provided under this Act which would be available for elementary and secondary, handicapped, and adult education purposes. The State's comprehensive plan would have to take into account the special educational needs of educationally-deprived and handicapped children, assess the resources available in the State to meet those needs, and demonstrate reasonable promise of substantial progress in meeting those needs. The plan would also set forth an adult education program.

Under Title II, the State would be required to allocate to each local educational agency in the first fiscal year after enactment at least 85 percent of the amount received by that agency in the preceding fiscal year under Title I of the Elementary and Secondary Education Act and Part B of the Education of the Handicapped Act. These funds must be used to meet the special educational needs of the educationally deprived and handicapped.

Funds not subject to the requirement for use to serve the educationally disadvantaged or not reserved for vocational education purposes could be used for educational activities such as school libraries, textbooks, educational materials and equipment, guidance, counseling, and testing, innovation and support or for any other educational purpose for which funds could have been used under the programs consolidated by this Act.

XI. TITLE III PROVISIONS—(VOCATIONAL EDUCATION)

Title III sets forth requirements for vocational education programs under this Act. Each State would be required to expend for the purposes of vocational education at least the same percentage of its Federal funds received under this Act as the percentage of the State's Federal vocational education funds were of its total Federal funds received under the programs consolidated under this Act in fiscal year 1976.

As an example, if a State received from the Federal Government $30 million for the purposes of vocational education in FY 1976, and this amount represented 10 percent of the total Federal funds received under the programs consolidated under this Act by that State, this proposal would require that henceforth that State can spend no less than 10 percent of the Federal funds it receives under this Act for the purposes of vocational education.

The State's vocational education program would be required to take into account the vocational education needs of the State, to assess the resources available to meet those needs, and to be designed to provide individuals with educational programs that will make substantial progress toward preparing persons for a career or for further advancement in their present employment. At least 25 percent of the amount the State uses for vocational education under this Act must be used to meet vocational education needs of persons with special needs (the educationally-deprived and the handicapped).

The Federal funds which a State uses for vocational education for persons with special needs count toward the 75 percent of Federal funds which Title II requires to be spent on persons with special needs.

XII. TITLE IV PROVISIONS (NATIONAL IMPACT PROJECTS)

Title IV would continue the Commissioner's authority to fund certain special projects and innovation and development activities relating to vocational education and the education of the handicapped. The Commissioner would be authorized to support innovation, development, and dissemination activities in vocational education and the education of the handicapped either directly or through grants or contracts. He would also be authorized to support centers and services for deaf-blind children, regional resource centers, and a loan service for captioned films and other educational media for the handicapped. A total appropriation of $69 million would be authorized for these activities for fiscal year 1977 and each of the three succeeding fiscal years.

BAPTISTS IN RUSSIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas, Mr. COLLINS, is recognized for 15 minutes.

Mr. COLLINS of Texas. Mr. Speaker, I come before the House today to ask for the support of my colleagues in behalf of Georgi Vins. My concern is with religious freedom in Russia.

The Baptists in our country first spoke up through our Baptist leadership a year ago back on March 5, 1975. The executive director, James E. Wood, Jr., sent an official message to the Ambassador of the Union of Soviet Socialist Republics here in Washington. Mr. Wood is the executive director of the Baptist Joint Committee on Public Affairs and speaks for all Baptist groups including my own Southern Baptist Convention. However, our Joint Affairs Council speaks for all Baptists including: American Baptist Convention, Baptist Federation of Canada, Baptist General Conference, National Baptist Convention, National Baptist Convention, Inc., North American Baptist General Conference, Progressive National Baptist Convention, Inc., Seventh Day Baptist General Conference, Southern Baptist Convention. Within the nine Baptist bodies in Canada and the United States of America, we have a combined church membership of 31 million people. Baptists disagree on minor issues but on the major concern of religious freedom we stand completely united.

Georgi Vins has been sentenced by the Soviet court to 5 years in prison followed by 5 years in exile. The Government of Russia took exception to his religious preaching. He was tried in a court in Kiev, after being held in jail for 1 year following his arrest.

His family had asked for a Norwegian Christian to be his defense lawyer. But no visa for the lawyer was ever granted. Since no Christian lawyer was available in the Soviet for Mr. Vins, he represented his own case.

History tells us that from 1922 to 1945 Christians suffered severely in Russia. But since 1945, we hear that most of the religious persecution has been in the form of limiting personal privileges and being excluded from higher institutions of learning. Christians have also suffered the loss of religious literature.

The Vins' case is pressing. He has already served a 3-year sentence and was released in 1969 in broken health. His father, also a pastor, died in prison camp. Let us all pray that our sick Baptist neighbor will not also die in prison.

This makes the Vins' case even more important because it is not typical of the broadening position of Russia.

Article 18 of the Universal Declaration of Human Rights is the expression of the General Assembly of the United Nations. This expresses the conviction which is accepted and supported by Baptists:

Article 18: Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief, and freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, practice, worship and observance.

Many times in this country we stand quietly by and see our fellow Christians suffer throughout the world. I have admired my Jewish colleagues who have spoken out so eloquently in behalf of persecuted Jews.

I call on all of my colleagues to unite and join with me in a voice of protest for my fellow Baptists in Russia. I ask that the Soviet authorities review this case so that this man can be back with his family and children and enjoy the full religious liberty and freedom which is so important in our world today.

PAY CASH AND SAVE MONEY

The SPEAKER pro tempore (Mr. HALL). Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, it is now possible for a consumer to walk into a restaurant or store and actually save money by paying cash.

The cash discounts are allowed by the Fair Credit Billing Act which went into effect in October but as yet, they have been largely overlooked by cash-paying consumers who do not know to request them.

As chairman of the Consumer Affairs Subcommittee under whose jurisdiction this act lies, I am concerned that a mechanism which could save consumers mil-

lions every year is not being taken advantage of and I am proposing that a public information campaign begin here to help solve this problem.

I want to make it clear that there is no way to force merchants to give cash discounts if they do not want to. However, if just a few restaurants or appliance stores in each community begin advertising that they offer the discounts, competition will automatically make other merchants want to offer the cash discounts for fear of losing the increased cash volume they can generate.

CONCEPT IS SIMPLE

The design of the cash discounts is simple. Say, for instance, a merchant sells a television set for $100 to a consumer who pays with a credit card. All that merchant will receive in return from the credit card company is $93. Seven dollars, or 7 percent, is the charge the merchant will pay to the credit card company for the service of being able to offer instant credit to the customer.

By offering a discount if the customer pays cash, the merchant can sell the $100 television set for $95 and still save $2 for himself. An additional benefit to the merchant in such a case is his not having to worry about the paperwork associated with credit card purchases.

Therefore, both merchant and consumer benefit from cash discounts without jeopardizing the ability of that merchant to offer credit to anyone who still wants to pay with a credit card. It is very dismaying to me, however, that perhaps as much as $5 could be saved on every $100 cash purchase if consumers only knew to ask.

FORMER IMPEDIMENTS REMOVED

Part of the merchants' hesitation to offer cash discounts is due to the fact that until the Fair Credit Billing Act went into effect recently, the Truth in Lending Act required that any discount be disclosed on cumbersome forms. Most merchants simply were not willing to take the time, even if it meant a bolstered cash business volume. Now, however, that rule is exempted for all discounts of 5 percent or under by the Fair Credit Billing Act.

Another provision of this act states also that credit card companies cannot prohibit merchants affiliated with them from offering cash discounts. Now, merchants need not fear that offering the discounts will endanger their standing with the credit card company.

With these two major impediments removed, it appears that only consumer demand can jog the merchants out of their disinterested attitude about cash discounts. I have begun a grassroots level campaign of my own to get the word out about discounts but I would like to call on the aid of my colleagues in this effort. The leadership of the major consumer groups has wholeheartedly endorsed the cash discount idea and public information campaigns are being planned. Also, there are several local groups in various parts of the country who want to start discount campaigns of their own and I am in the process of providing information to them.

To my colleagues who regularly communicate with constituent groups via newsletters, speeches, and media interviews, I encourage you to remember that cash discounts—aside from their money-saving potential, are recent and tangible evidence that this Congress is a consumer-interested one.

Local efforts already begun to encourage cash discounts are promising. The success of organized discount groups such as "student discounts" and "buying clubs" has already demonstrated local merchant enthusiasm for any program which will encourage business, and rarely do merchants have as much vested interest to actually save money as they do in this case.

One citizen action group in Hartford, Conn., came up with the idea of producing a cash discount directory in which all local merchants who would agree to give discounts are listed. The directory will be used both to convince shoppers to go to listed businesses first and to create competition among the merchants for the increased cash business it will generate. Consumers Union has prepared a handbook which could be a great help to any local group interested in preparing such a directory. This guide is called "How to Compile a Directory of Merchants Offering Discounts for Cash," and can be obtained from the CU Book Department in Orangeburg, N.Y.

CREDIT CARDS NOT AFFECTED

Mr. Speaker, I would like to stress that I am not opposed to the use of credit cards. Being able to pay on credit is an important right for the millions of Americans who depend on their credit cards when they do not have enough cash on hand for necessary items. However, merchants who accept credit cards must pay a substantial service fee to the company and it is inevitable that these extra costs will turn up as higher prices. I am for the discounts primarily because they assure that consumers who do not qualify for credit cards or chose not to use them, do not have to subsidize those who do.

In short, cash discounts provide a unique opportunity for both consumers and merchants to save money without impinging on the rights of anyone to use or accept credit cards.

It is a shame that so simple a concept was overshadowed by other provisions of the Fair Credit Billing Act back in October. But I am confident from the enthusiasm I have encountered from consumers already receiving the discounts that very soon, next to the credit card decals on their doors, merchants will be proudly displaying their "We Offer Cash Discounts" signs also.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

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

FOOD STAMPS: FACTS AND FABLES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PHILLIP BURTON) is recognized for 10 minutes.

Mr. PHILLIP BURTON. Mr. Speaker, I recently read a thoughtful paper prepared by Barbara Bode, president of the Children's Foundation and a member of the Food Policy Committee of the Woman's National Democratic Club. The paper, released in January of this year, carefully deals with the current charges against the food stamp program and offers facts that refute them. I am hopeful that it will be of interest and value to my colleagues.

The text of the paper follows:

FOOD STAMPS: FACTS AND FABLES

(By Barbara Bode, president, the Children's Foundation and member, Food Policy, Committee, Woman's National Democratic Club)

With new legislation pending before Congress, it is time to put the charges against food stamps in perspective. Here are some of the current fables about food stamps and the facts that refute them.*

Charge: Non-Needy Middle Class Families Are Getting Food Stamps

This claim is disproved by Department of Agriculture statistics reported to Congress in June, 1975, and by the August, 1974, "Current Population Survey" of the Bureau of the Census. The Department of Agriculture report states that only 13 percent of all families in the food stamp program have take-home pay of more than $6,000 a year. Most of these (87 percent) are in families of five or more persons. The report goes on to show that 92 percent of participants are in households making less than $7,000 a year; 95 percent make under $8,000 a year; 97 percent make under $9,000 a year, and 100 percent have incomes less than $10,000 a year (the number above $10,000 was reported as statistically insignificant.

Not only does the Census Bureau confirm the Department of Agriculture report but its figures show that 81 percent of program participants are from households with gross incomes below $4,800 annually.

Charge: The Food Stamp Program Is "Out of Control".

Critics of the program claim it has ballooned by monumental proportions since its inception in 1962. The truth is that it was a pilot program in 1962 operating in only eight counties, and, following the passage of food stamp legislation in 1964, was available in only 110 counties in 1965.

Today it is a nationwide program administered in more than 3,000 counties. During the 1960's the "surplus food" program (commodity donations) was the main source of food assistance for the poor. This program served some 7.5 million persons in 1,741 counties. Poor people in 1,300 counties across the country, however, had no family food assistance program available to them at all.

Between 1965 and 1971, 1,100 counties started food assistance programs, so that by December, 1971, there were 14.9 million families being aided by food stamps or commodities. From the end of 1971 to August, 1974, there was virtually no growth in family food assistance despite increased eligibility levels and other improvements in the program.

With the nearly four-point rise in unemployment from August, 1974, to April, 1975, and under the impact of the recession, food stamp participation rose substantially to 19.5 million persons. Since then there has

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*Much of the following data comes from materials produced by the National Food Stamp Information Committee and can also be found in "Who Gets Food Stamps," a committee print of the Senate Select Committee on Nutrition and Human Needs.

been a decline to 18.8 million persons in August, 1975. At present it is at about 18.5 million participants.

The food stamp program has grown because the counties which previously offered no family food assistance now participate; because the commodity counties nearly all have switched to food stamps; and because the recession forced millions of American out of work. Furthermore, Puerto Rico joined the program several months ago bringing in nearly a million new participants. Claims that the food stamp program has expanded because of mismanagement or overly liberal eligibility standards can only be a willful misinterpretation of these facts.

Moreover, in 1974 the Census Bureau reported that 24.3 million Americans were living below the poverty line. Consequently, far from being "out of control," the food stamp program has failed so far to reach all those most in need.

Charge: Food Stamps Are Costing The Taxpayers Nearly Seven Billion Dollars.

In fiscal year 1975 the food stamp program cost $4.9 billion. Current Department of Agriculture predictions are that the program will cost $5.8 billion in fiscal year 1976. This big increase is attributable primarily to the fact that unemployment, bringing with it increased participation, did not reach current levels until the end of fiscal 1975.

The estimated $5.8 billion is indeed a substantial sum. However, food stamps represent directly spendable income which stimulates the economy. A study in Texas in 1972 of the economic impact of the food stamp program, by the Economic Research Service of the Department of Agriculture, shows that between $1.1 and $1.45 billion of the $5.8 billion presently being spent on the program will be *returned* to the United States Government in tax money alone. The *net* cost of the program is therefore between $4.35 and $4.7 billion. State and local taxes ($16.5 million in Texas in 1972) as well as the other important benefits such as new jobs and new business must also be considered if the cost of food stamps is a concern.

Again applying the findings of the Texas study, the program is presently generating at least $27 billion in new business for the country as a whole and more than 425,000 new jobs nationwide.

Charge: The Food Stamp Program Is Riddled With Fraud—"A Haven for Chiselers and Rip-Off Artists."

Assistant Secretary of Agriculture Clayton Yeutter testified in June, 1973, before the Senate Nutrition Committee that the food stamp program has been "remarkably free from fraud." At that time he reported the percentage of fraud for the first nine months of 1973 as 24/1000 of one percent.

In 1974 the Department of Agriculture reported to the Senate Agriculture Committee a fraud rate of 8/100 of one percent. Current estimates for 1975 are about one percent.

"Error rates" which are widely publicized by the Department of Agriculture are *not* fraud rates. In a recent report the Department stated that over 45 percent of all errors are caused by caseworkers, not participants. Most of the errors are not intentional but are simply a matter of carelessness or lack of understanding of the program.

It should be kept in mind that "errors" apply only to non-welfare households. Families on welfare are by law automatically eligible for food stamps.

The Department of Agriculture "error rate" report released in September, 1975, showed that 4.3 percent of all participating households were found to be ineligible. About half or 2 percent were improperly receiving stamps due to errors made by caseworkers, and 2–3 percent were errors made by participants. Participant errors are often such mistakes as not reporting an increase or decrease in a rent or heat bill, and most, according to the Department, are inadvertent.

It should be remembered that error rates work both ways. Too often needy families receive smaller benefits than they are entitled to or are kept out of the program through case-workers' errors.

Charge: Able-bodied Adults Are Refusing Work and Still Getting Food Stamps.

All able-bodied applicants between 18 and 65 by law must register to work unless they are responsible for the care of children or incapacitated adults or unless they are students at least half-time at an accredited institution. If an adult member of a family refuses a job (paying at least $1.30 an hour or the state or federal minimum wage, whichever is higher), then the entire family is denied food stamps.

Charge: The Food Stamp Program Is Full of Students and Hippies in Communes.

In December, 1974, Congress amended the Food Stamp Act to exclude all students being claimed by a household as a tax dependent if the household itself was not eligible for food stamps. This provision went into effect in September, 1975.

However, even prior to this amendment the Department of Agriculture Survey reported to Congress in June, 1975, that in 99 percent of food stamp households all the members were related. Of the remaining 1 percent many were elderly low-income persons sharing living quarters or mothers on welfare with one or two children sharing one roof. Therefore, only a fraction of one percent should possibly be commune-dwelling hippies or students.

It is possible for students to apply as single-person households but, according to Department of Agriculture statistics, less than one-tenth of one percent of participants are one-person households under the age of 22. Only six-tenths of one percent of the single-person households are between the ages of 22 and 44, most of them presumably too old to be students.

Charge: Families That Own Boats and Planes Are Getting Food Stamps.

For a family that frolics on sea or in the air, it is all but impossible to get food stamps. According to Department of Agriculture regulations a family cannot have more than $1,500 in assets (unless one member of 60 or over and then the limit is $3,000). Boats and planes are classed as assets unless the low-income wage earner is a fisherman or pilot who needs them for his or her work, a situation which happens seldom.

As for assets generally, the Department of Agriculture reports that 20 percent of all low-income families and 30 percent of all unemployed families are denied food stamps because their assets exceed the limitation.

Charge: People Driving Cadillacs Collect Food Stamps.

This charge has been around as long as there have been Federal food assistance programs. It has been shown repeatedly that it is the well-meaning volunteers who purchase stamps for elderly, disabled or house-bound participants who do at times indeed drive Cadillacs or other expensive cars. These same volunteers or others with similar cars often shop for participants as well.

Charge: Unions Can Sign Up Their Members En Masse.

Untrue. Union members must go through the same tedious and often harassing certification process as non-union applicants. Only an officially employed caseworker can certify an applicant for food stamps and then only one applicant at a time.

Regulations published in July, 1974, prohibit caseworkers from going to union halls or union facilities to interview program applicants during a strike. A union card certainly does nothing to help speed the application process.

Charge: Food Stamps Simply Go for Cigarettes and Liquor And So They Don't Do Any Good Anyway.

Untrue. Food stamps cannot be used for anything other than food (or seeds to produce food). They cannot be used for soap or paper products or anything needed for hygiene. If a store is found to be violating these prohibitions the owner may be fined and the certification revoked.

Furthermore, three different Department of Agriculture studies have shown that the food stamp program has a positive nutritional impact.

In its recent report to Congress, the Department noted specific nutritional improvement due to participation in the program. This finding was based on a study in rural Pennsylvania in 1969–71 and on a national study in 1973. A third study, conducted in 1974 by the University of California at Davis, concluded that "results indicate that diets of participants in the food stamp program appear to be nutritionally superior to those of comparable non-participating low-income households."

The facts, then, give the lie to charges about the food stamp program and the poor people who benefit from it. Nevertheless the legislative proposals before Congress all, to a greater or lesser extent, reflect these charges and the public biases which have been perpetrated against the program. The pending legislation should take these refutations of popular myths into account if the food stamp program is to be saved and improved.

LEGISLATION TO PROHIBIT USE OF FEDERAL FUNDS TO DEVELOP CIVILIAN AIRPORT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 10 minutes.

Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill to bar the use of any Federal airport and airway development funds to develop a civilian airport at Floyd Bennett Field in the Gateway National Recreation Area.

Gateway National Recreation Area was created by Congress in 1972 as the first national recreation area in an urban location. The 1,050 acres which make up Floyd Bennett Field, a former Navy airport, were included in the Gateway legislation. Floyd Bennett Field is the largest single land mass in Gateway and has an enormous potential for recreational use.

When plans for Gateway were first considered, a dispute arose over efforts by supporters of commercial aviation and the U.S. Department of Transportation to make Floyd Bennett Field an airport for private planes and other light aircraft. The intent of the legislation establishing Gateway was to forbid such commercial air traffic at Floyd Bennett Field. The language of the statute, however, is not sufficiently clear on this point. It needs to be made absolutely unequivocal. My bill will do that.

Commercial air traffic in Floyd Bennett Field would be inconsistent with enjoyment of Gateway as a park, and recreation facilities are desperately needed in New York City. Furthermore, most of the people in my district and the other areas surrounding Floyd Bennett Field oppose commercial aviation, because of the noise, pollution, and safety hazards that such use would pose.

Through my efforts, Floyd Bennett Field was finally officially transferred to the Department of Interior by the Navy in January 1975 and since that time planning for the field's use in Gateway has begun. It is vital that all talk of commercial air traffic to Floyd Bennett Field be put to rest so park planning may proceed promptly.

I urge passage of this bill.

The text follows:

H.R. 12191

A bill to prohibit use of Airway and Airport Development Act funds for a public airport at Floyd Bennett Field in the Gateway National Recreation Area

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that the Airport and Airway Development Act of 1970 (49 U.S.C. 1701 et seq.) is amended by inserting immediately after Section 27 the following new section:

"SEC. 28. RESTRICTION ON AIRPORT DEVELOPMENT.

"Notwithstanding any other provisions of this title, no part of any of the funds authorized or authorized to be obligated under this title shall be obligated or expended for airport master planning, airport system planning, or airport development with respect to the development of a public airport at the site known as Floyd Bennett Field within the Gateway National Recreation Area as established in the Act approved October 27, 1972 (P.L. 92-592, 16 U.S.C. 460cc et seq.).

STATEMENT OF JOHN SHAFFER, FORMER ADMINISTRATOR OF THE FEDERAL AVIATION ADMINISTRATION

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

Mr. DAVIS. Mr. Speaker, I rise to address a situation that has generated clearly drawn battlelines in our Nation. A situation that seems to have no middle ground. On one hand, we have the people who are in favor of the trial flights of the British/French Concorde airplane. On the other hand we have those who are bitterly opposed. Vast amounts of words have been used by both sides to promote their cause and I feel certain that further verbiage is assured. Unfortunately, somewhere along the line I expect truth is surely to be trampled in the onrush to change the hearts and minds of men.

Let us for a moment, examine the almost hysterical outburst that followed Secretary of Transportation Coleman's announcement on the initiation of the Concorde flights. An outcry, by the way, that does not have incontrovertible facts and figures, an allegation that does not have enough merit to stand alone.

Frankly, I support the stand taken by the Transportation Secretary and I base that support on a timely and thoughtful document by a former Administrator of the Federal Aviation Administration Mr. John Shaffer. I feel his statement, made on January 5, 1976, is a pragmatic approach to an emotional issue. It is knowledge speaking out instead of whining halftruths and innuendo. It is a clear assessment of a very touchy issue and I believe it sets aside the hysteria for a cold, hard look at the problem. I would like to commend it to the attention of my colleagues in this House:

STATEMENT OF JOHN H. SHAFFER, FORMER ADMINISTRATOR, FEDERAL AVIATION ADMINISTRATION

Thomas Jefferson, the principal architect of the Declaration of Independence frequently expressed his firm conviction that a properly informed public will make wise decisions. Prior to this opportunity the public simply hasn't been getting many straight facts on matters relating to ecology and the environment, especially about the airplane and its impact thereon.

In the short time I have I'll first talk to just one of the most frequently repeated myths about supersonic flight—the oxides of nitrogen contributed by aircraft engines—piston, turbo-prop and turbo-jet.

If the modest Concorde fleet be permitted to operate in the Earth's upper atmosphere, some contend we are "doomed" by NO_x and other atmospheric pollutants contributed. In the interest of stripping the emotional appeal from this frequent distortion, I invite all of those interested to ponder on a startling fact. If science could successfully provide the means to remove only the oxides of nitrogen contributed by combustion sources from this planet's atmosphere, the 99% produced by nature would remain. "Doubters" can confirm this if they are honestly interested in fact finding rather than supporting a particular "side" of the ecology debate.

At this point let's enter a further thought-provoking fact into this record—All oxides of nitrogen aren't villians lurking in ambush! The great saltpeter deposits of South America are a result of the perpetual thunder storms over the Andes. The oxides of nitrogen in the rain water react with the minerals and organic compounds in the soil with much of the slurry ending up as "saltpeter" when the water which transports the effluent down the mountains eventually evaporates and recycles to the atmosphere.

The foregoing is preamble to the main thrust of what I'm compelled to say on one of the most misunderstood, under appreciated and badly abused capabilities man has yet developed—flight. And more to the point—Supersonic Flight.

It really doesn't matter that Concorde is largely a British-French product and that the USA hasn't one to offer for sale. It's to the everlasting credit of these two great friendly Nations that they have managed to keep their project alive while they and the rest of the free world's aviation family strive to intelligently structure programs that will permit man and his environment to live in harmony at a cost he can afford.

The day-to-day driving need to increase productivity in the struggle to keep abreast or slightly ahead of our collective desire to maintain the life style and quality of life mankind has come to enjoy and too many take for granted is just one of the "trade-offs" which clearly must be made if we're to generate the necessary capital to finance other badly needed technical innovations for our society.

There are those who desperately want to see Concorde denied operational rights to two essential points of entry in North America—The Greater New York Region where the greatest concentration of people with strong ethnic ties to Europe reside; and Washington—this Nation's and the World's capital. They hope to accomplish this by insuring that Concorde doesn't get the chance to put its best foot forward because they are apprehensive that the public will, if given the opportunity, learn for themselves the true facts of Concorde's environmental impact. They will then lose much of their credibility. And some significant share of whatever public support they've been able to muster—with their frequent warnings based largely on fear or misinformation—will suddenly erode.

Reasonable men are fully capable of insuring that should Concorde operations in and from "gateway" airports such as Dulles and JFK prove to be an onerous as some contend, these few operations could be further curtailed or even suspended. If to the contrary (and this is the view that I hold on this matter and the reason that I am speaking out as a man who understands elementary science and wanting to see "right" prevail for the good of all mankind) Concorde's adverse impacts prove acceptable, the public will quickly grasp that Concorde's benefits clearly outweigh the sum of her disbenefits.

Additionally, I would like to leave this thought for those who would concern themselves unnecessarily with the economic viability of this magnificent "experiment." Within 90 days of her entry into service on the North Atlantic, at least half of all first class travel on that route will be in Concorde and it really shouldn't be any concern of most U.S. citizens whether the $2 billion-plus invested thus far in Concorde was money well spent. Let's reflect for a moment on the $6 billion price tag presently estimated for Washington's Rapid Transit System which is a bird of quite similar plumage in that Concorde and Metro both are, among other things, social programs with considerable public benefit.

The two, however, differ in at least one important respect. Those airlines which operate Concorde on the trade routes of the world will see to it that those who buy the service pay what time saving is worth to the consumer (of their service). On the other hand, there doesn't seem to be the slightest chance that revenues from Washington's Metro will even service its substantial debt much less permit the system to operate at break-even. The foregoing remarks are not intended to convey the thought that Metro isn't either a worthwhile project or in the public interest, but it just an example or illustration from a long list of quite similar projects which have contributed significantly to the quality of life in America, without directly contributing a profit as an enterprise.

I for one embrace the principle that "time is money" and with the serious world shortage of talented managers growing daily the ability to transport these persons from their domicile to where they are needed in half the time, comfortably and safely is a capability that will sell and for which there is a sizable demand worldwide.

Admittedly, Concorde isn't as quiet as its first generation jet transport ancestors.

Importantly, the design also predates (the British-French agreement was consummated in 1962) the quieter wide body aircraft, this adds another dimension to the issue because of the degree of difficulty, and length of development cycle, for producing the ultimate airplane in Concorde's performance regime.

Before there was an Environmental Policy Act (1969) or a Clean Air Act (1970), the aircraft community was clearly doing things protective of the environment. Dulles which was opened in 1962 was built in a virtually unpopulated area on a 10,000 acre site with its runway system and flight line remote from the terminal or "living" areas, in a conscious effort to contain the sound of aviation within the boundary of the airport property in such a way that even the users of the airport would not find the sound level uncomfortable.

It therefore seems to me that the real failing is not that aircraft engineers haven't made the airplane as quiet as we would all like but rather that the job of enlightened land use planning and rigid enforcement of zoning covenants wasn't accomplished by the

public officials charged with these responsibilities. At both locations (JFK and Dulles) the photographic history shows the unrelenting encroachment of incompatible development up to the perimeter fences.

Stated differently, for emphasis, the airplane didn't invade these airport neighbors, the communities moved in on the airports in both instances/examples.

Repeating the words of Thomas Jefferson "Properly informed people will make wise decisions." This seems to me to be a once in a lifetime opportunity (in light of media coverage of this issue) for world citizens to decide for themselves what's best for them. I sincerely trust the record of your hearing will help the layman—Mr. Average guy like myself—develop rational perspectives necessary to make balanced judgments on important issues and, if you will on national direction.

I applaud you for providing a forum the record of which will most certainly provide the plain facts on the SST issue for the first time. Whatever conclusion is reached will now be made with the full knowledge of where and how this decision will affect the public interest.

FHA–FmHA TASK FORCE ON HOME APPRAISALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. McFALL) is recognized for 5 minutes.

Mr. McFALL. Mr. Speaker, I am today introducing legislation that is the first step towards establishing the interchangeability of home appraisals conducted by the Federal Housing Administration and the Farmers Home Administration.

As the situation stands today, a home buyer or seller who wants a particular home to be eligible for both FHA and FmHA loan guarantees or other programs must have an appraisal of that home conducted by both agencies. Not only must two appraisals be paid for, but additionally, this is an example of unnecessary duplication of work by two Federal agencies. I can see no reason why uniform appraisal procedures cannot be established between FHA and FmHA, and thereby allow each agency to accept and use the home appraisals conducted by the other.

The legislation I am introducing today provides for the establishment of a FHA–FmHA interagency task force. This task force would have 240 days after the enactment of this legislation to study current FHA and FmHA home appraisal and inspection procedures and to report back to the Congress. To be included in the task force's report to the Congress will be an analysis of the feasibility of: First, both agencies using the same home appraisal and inspection procedures; and second, both agencies accepting any home inspection or appraisal conducted by the other, and additionally, a statement of what legislative action would be needed to implement a policy of interchangeability between FHA and FmHA home inspections and appraisals.

Upon receiving the task force's report, Congress will be in a position to address through specific legislation the implementation of interchangeable FHA–FmHA home appraisals and inspections. I believe the need for such uniformity in home appraisals and inspections is clear, and I hope that this legislation will receive prompt consideration.

HELEN KELLER NATIONAL CENTER FOR DEAF-BLIND ADULTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, on Monday, February 23, I introduced H.R. 12018, a bill which would provide that the National Center for Deaf-Blind Youths and Adults be renamed the Helen Keller National Center for Deaf-Blind Youths and Adults.

The center was created to provide a national program of rehabilitation services to handicapped people who are both deaf and blind. The programs at the national center also give training for professional staff and personnel working with deaf-blind people and conduct research into the problems and methods of rehabilitating individuals who are handicapped with deafness and blindness.

Mr. Speaker, in renaming the national center after Helen Keller, we will at once indentify its work for deaf-blind persons and honor the remarkable woman whose life was an inspiration to the creation of the national center.

The story of Helen Keller is familiar to all of us—the courageous woman who, herself both deaf and blind, received an education from gifted instructors and graduated cum laude from Radcliffe College. She spent her life working for the betterment of deaf-blind persons everywhere.

Mr. Speaker, Helen Keller's dream was to create a national program which would provide rehabilitation services to deaf-blind people. She was still living during most of the planning for the National Center for Deaf-Blind Youths and Adults and its operation today represents the fulfillment of one of her greatest hopes.

Mr. Speaker, to give the name of Helen Keller to the national center is fitting recognition of her great example and inspiration. It is also timely in that construction work on the center in Sands Point, N.Y., is now completed and the facilities are ready to offer the program's important services. As the Helen Keller National Center for Deaf-Blind Youths and Adults, the center will stand as a model for services to the deaf-blind throughout the world.

FORD ADMINISTRATION BUGS THE IMPACT AID COMPUTER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 5 minutes.

Mr. HARRIS. Mr. Speaker, an incredible final round in the administration's assault on the education program impact aid has come to light—1976 impact aid payments to local school districts will not be made until May, at the earliest, or possibily July.

The reason is ludicrous—and tragic. According to officials who administer the program, the data processing system which computes and processes the disbursal of funding under the program will not be ready for another 3 months or longer. Because the basic formula for computing impact aid allotments was substantially changed by Public Law 93–389, which became law on August 21, 1974, the computer for determining and disbursing allotments had to be completely revised. That reprograming is not yet ready and will not be for another 3 to 5 months. In other words, funds approved by Congress last July are held up again by the administration, this time by the administration's bungling of a computer. This means that 1976 impact aid money may not get to school districts for a full year after Congress approved them.

To put this in perspective: The 93d Congress enacted the Education Amendments of 1974 which revised and extended the basic impact aid authority. The 94th Congress in July 1975 approved fiscal year 1976 funds for the program in the 1976 education appropriations bill, H.R. 5901—a measure that we separated from the regular Labor-HEW appropriations in order to get needed funds to school districts before the school year began. Ford's answer was a veto, which the House overrode on September 9 and the Senate followed on September 10. Then, the President tried to withhold $97.3 million in impact aid and we defeated that cut on February 10. This Congress has made its intent quite clear three times: Our school districts need these funds and they need them now. Actually, they needed them when school opened last fall.

Now we learn, after fighting and winning three times, that the administration is finagling and delaying once again, this time with the assistance of technology. The reason for the 3- to 5-month lag in sending this money on to our schools is that the computer is not ready. Why is it not ready? Because, the story goes, the new law—enacted 2 years ago—is so complicated that administration officials have not yet gotten the technological apparatus set up to handle the paperwork.

Frankly, Mr. Speaker, I find this to be a ridiculous situation. The administration has had 2 years to prepare for allocating these funds. I am alarmed that after waiting for 8 months, school districts will have to wait 2 to 5 more months because HEW is not ready to make these payments to local school districts. By the time the administration is ready to send these funds to local schools, the school year could be over.

What does this mean for our schools? School officials in my district are quite upset about this bungling and foot dragging. They say it could be "devastating." Most annual school budgets in my district are planned in anticipation of receiving impact aid by early February. They have told me that further delay will mean that local government will have to borrow temporary, supplemental money at high interest rates to make up

for the delayed impact aid. Or they will have to cut into their investments and lose interest payments. Or they will have to stop or curtail education programs. One official said, "We might have to close schools for awhile."

School budgets are facing the same strains of the economy as every other budget. Local and State funds are dwindling. Here funds are ready and waiting to be used, but they are snagged by the administration's mismanagement and ineptness. Our schools need the funds now.

To cut back school programs because HEW cannot set up the administrative machinery in a 2-year period would not only be ludicrous, it would be tragic. Schoolchildren should not be made the culprit of administrative mismanagement and poor planning. In my view, what is really going on goes a lot deeper than a computer that just is not ready. Given the administration's efforts to dismantle and underfund this vital program, I believe that this is but another round in the administration's never-ending assault on impact aid. The administration's "program" for impact aid is slow death.

I have written to the Secretary of the Department of Health, Education, and Welfare, David Mathews demanding action. I have urged him to act promptly to process all 1976 impact aid funds immediately, to get those funds out to our schools. I will not tolerate another administration attempt to undercut our schools.

SARAH MILLER, RESERVE, MONT., WINNER IN VOICE OF DEMOCRACY CONTEST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. MELCHER) is recognized for 5 minutes.

Mr. MELCHER. Mr. Speaker, I would like to share with my colleagues the following winning essay which was written by Sarah Miller of Reserve, Mont., as her entry into the VFW Voice of Democracy Contest. Her concept of a liberty tree which "shelters all of the American people" is a fresh concept and one which I know will be appreciated by the Members of this House.

Sarah is the Montana champion in this national contest and she speaks for all Americans in her forthright essay:

VOICE OF DEMOCRACY ESSAY BY SARAH MILLER, RESERVE, MONT.

My bicentennial heritage can be represented in the figure of a tree . . . a liberty tree which has been growing nearly 200 years and shelters all of the American people.

The seed of liberty was formed the day man was created. As society was developing, it was sown in various types of soil and did not always flourish; yet the seed could not be destroyed because it was sown in fertile soil—the hearts of men. Here and there shoots were appearing, such as the Magna Carta in England. When the settlers came to the New World, they brought the seed with them, and upon finding fertile soil, the seed firmly embedded itself. Our tree of liberty grew rapidly, and when the Revolutionary War was won, it became an undeniable reality—something which could not be stepped on, but must be recognized.

Although the trunk of our tree of liberty is now very sturdy, if we were to take a cross-section of the trunk and examine the rings, we would find that some years it underwent severe hardships. The Articles of Confederation provided little nourishment, and the tree did not make noticeable progress until the Constitution was ratified. Other hardships attacked our tree and severely slowed its growth, such as the Civil War and the Depression. Yet, in each of the 199 rings, some growth did occur, and today our mighty tree of liberty protects not only our country, but many people in other parts of the world.

The main components of the tree are the roots (which represent the government), the leaves (which represent the citizens), and the trunk (which can symbolize all communication between the government and the people). The roots, or government, consist of three major systems—the executive, legislative, and judicial bodies. Each of these three roots are powerful; yet by the system of separation of power as described in our Constitution, they balance each other and provide the most representative government yet put into effect by a nation. The leaves are the people which are represented in the government. These leaves do not represent only one segment of society, but all persons regardless of age, color, or religious beliefs. The trunk carries the communications between the roots and the leaves. The most obvious artery of the trunk is the press and media. However, this also includes direct contact through elections, letters, and campaigning.

Our tree of liberty, although it had been fed by the lifeline of patriotism, would never have survived without the protection of bark—the Constitution. It is the oldest written document of its kind still in effect. It is the foundation of my bicentennial heritage—the source of the family tree of liberty, and because of it, my bicentennial heritage is now a flourishing liberty tree.

The tree of liberty, when it began, was a lone tree. Never before had such a revolution succeeded. The time was right, the place was ideal, and the people were incomparable. This was not evident at the time, and few had faith in the early dream of a United States of America. Yet today we are one of the world super-powers. As Winston Churchill once said, "Solitary trees, if they grow at all, grow tall."

STATUS OF THE FISCAL YEAR 1976 CONGRESSIONAL BUDGET

(Mr. ADAMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ADAMS. Mr. Speaker, I rise to inform the House on the status of the fiscal year 1976 congressional budget. As you know the Budget Committee has been notifying the House on a weekly basis about where Congress stands in relation to the ceilings on budget authority and outlays and the revenue floor adopted in House Concurrent Resolution 466.

As of close of business February 27, 1976, there has been no change in the current level of spending since our last notification to the Speaker on February 4, 1976. The status is as follows:

STATUS OF THE FISCAL YEAR 1976 CONGRESSIONAL BUDGET REFLECTING COMPLETED ACTION AS OF FEBRUARY 27, 1976

(No change since February 4, 1976)

[In millions of dollar]

	Budget authority	Outlays	Revenues
Appropriate level	$408,000	$374,900	$300,800
Current level	396,705	370,957	301,100
Amount remaining	11,295	3,943	300

Although current levels of funding remain below the ceilings, caution is in order. This week the House will be considering the foreign aid appropriation bill for fiscal year 1976, and in future weeks will be considering the District of Columbia appropriation bill. Soon we will consider the conference reports for the two recently passed House appropriations bills for ConRail and the Madison Library. As passed by the House, these bills contained the following amounts, which must be counted against the amounts remaining—as shown above.

[In millions of dollars]

	FY 1976	
	Budget authority	Outlays
Supplemental railroad appropriations (H.J. Res. 801)	404	404
Supplemental legislative appropriations (H.J. Res. 811)	33	

In addition to these pending bills, the total budget still remains very sensitive to economic trends and its resultant effect on spending.

In summary, Mr. Speaker, I must warn my colleagues in the House that the current spending level leaves little room for new spending legislation of either the President or Congress which was not contemplated in this year's budget resolution.

COMMUNIST NORTH KOREA STILL SEEKS THE CONQUEST OF SOUTH KOREA

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, there is unwarranted but growing belief in the United States today that the so-called post-Indochina Korean crisis has safely passed and that the North Koreans are unlikely to renew aggression against the south. This is strange doctrine when examined in the context of their own flagrant boasts and hostile acts. It is even more unreal when related to their incessant attempts to foment social unrest in the Republic of Korea through subversive moves.

The North Koreans are encouraged in the belief that aggression will succeed by recalling the *Pueblo* and EC-121 incidents of 1968 and 1969 where Pyongyang

got away with direct military assaults on the Americans without suffering a scratch on its part.

They have noted the fall of Indochina and the withdrawal of most U.S. forces from Thailand. They have not fully evaluated the effect of the developments in Indochina on the global position of the United States. Unfortunately, the backdown on Angola directed by Congress, has not helped the U.S. posture even in Asia. However, they recognize the fact that approximately 40,000 U.S. servicemen in South Korea make up a substantial U.S. military presence on the Asian mainland. Despite a continuing clamor by some liberal elements of the news media, a careful study indicates to the North Koreans there is little sentiment in the United States for cutting back on U.S. forces in Korea.

Obviously, it is not a time to further weaken the U.S. military position overseas. The Korean Peninsula is one of the strategically important areas of the world, certainly the most important in Northeast Asia. Bounded on the north by China, on the northeast by the U.S.S.R., lying only 30 miles from the closest Japanese island, Tsushima, and 130 miles from Honshu, it is the one area where the interests of the four great powers—the United States, U.S.S.R., People's Republic of China, and Japan—converge. The fall of South Korea, either because of U.S. withdrawal or inadequate support of the ROK, would unhinge the delicate balance in that area. It could even lead to early cancellation of U.S. base rights in the Japanese home islands and Okinawa, and the Philippines, forcing us to fall back on a forward defense line centered on Guam and Saipan.

At the moment, neither the U.S.S.R. nor the PRC is encouraging Kim to invade the south. Although apparently he has sought help, particularly from Red China, each country is pursuing its own brand of détente with the United States and neither wants to upset its applecart by direct conflict with U.S. interests in the Far East. Thus, the reluctance of either to back Kim in an invasion of the south, coupled with the strength of ROK forces and a U.S. military presence in Korea, makes war in that area unlikely in the near future. However, we have no assurance that either the U.S.S.R. or China regards détente as more than a tactical maneuver. They can discard it at a moment's notice. U.S. armed strength plus a positive indication of support for South Korea is what makes the difference.

There are danger areas even today. Military observers believe the five Yellow Sea islands off the Korean coast would be the most likely places for Pyongyang's Kim to test American resolve to defend the Republic of Korea. North Korea insists that the waters around them are North Korean territorial waters. Their gunboats have attacked South Korean naval vessels and fishing boats in the area and their Mig's have flown over the islands. This is an invasion of South Korea. To the South Korean these islands represent an intrinsic part of the Republic no less important than the Hawaiian Islands and Alaska are to the United States. The North Korean probes or offensive action against the islands may be the most immediate indicator of real danger of hostilities in the area.

Because the consequences of renewed conflict in Korea would be so serious, the United States must avoid actions that would weaken the deterrent to a North Korean attack. No U.S. forces should be withdrawn until there are more positive grounds for confidence that South Korean forces plus a credible U.S. determination to intervene militarily will continue to deter North Korean Premier Kim Il-sung as they have for over 20 years. An additional justification for maintaining the Army's Second Division and a U.S. tactical air wing in South Korea is to reassure Japan of the U.S. commitment to maintaining peace on the Korean peninsula. Withdrawals now would increase the risk of an attack on South Korea by North Korea and cause many more Japanese to seriously consider alternatives to reliance on the U.S. security commitment.

There have been futile attempts by representatives of the North and South Korean Red Cross to set the stage for peaceful reunification of the Korean peninsula. It is abundantly clear that, in the foreseeable future, reunion could take place only on Communist terms that are totally unacceptable to South Korea. Therefore, the Republic of Korea's national objective is to deter a North Korean attack by building superior economic strength and armed forces that ultimately will enable the country to defend itself without outside help.

Any lessening of U.S. support could encourage Pyongyang to believe there is less likelihood of U.S. involvement or retaliation. It is South Korea's obvious need that the United States provide in clear language the Communists fully understand, that any act against South Korea would be resolutely opposed by both South Korea and the United States under the 1953 Mutual Defense Treaty. To discourage Kim Il-sung from military ventures should be a common concern of all peace-loving nations, but the United States remains the key to peace in the area.

SOLAR ENERGY—HERE, NOW, AND FOR THE FUTURE

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, today I am pleased to insert in the RECORD an excerpt from Dr. Barry Commoner's article in the February 9 issue of the New Yorker discussing the great potential of solar energy for the United States. Dr. Commoner examines the short-term and long-term utility of solar energy as a means to both supplement our present energy needs and supplant expensive oil, gas, and nuclear resources in the future.

I commend the article to all of my colleagues who share my interest in the development of a viable alternative energy source program for the coming years.

The excerpt follows:

SOLAR ENERGY

There is a tendency in some quarters—perhaps in reaction to the sweeping denials of the usefulness of solar energy—to regard it as a panacea for the energy crisis. Enthusiasm for solar energy is understandable. In the long run, it does come close to being the perfect energy source. It is renewable; it is available everywhere; its environmental effects are negligible. (The only effect of any solar technology on the environment is that it changes the geographical pattern of the earth's absorption and reradiation of energy. The natural pattern is represented by the weather; this is itself so variable that the effect of any solar device is likely to be lost in the random meteorological fluctuations.) Most recent studies of long-range energy problems conclude that midway through the twenty-first century, or even somewhat sooner, we would obtain all, or nearly all, our energy from the sun.

But immediate use of solar energy by itself is not the solution to our present-day problems. Rather, solar energy now provides a valuable way to make more rational use—economically as well as thermodynamically—of existing energy resources, gaining time while the full development of solar energy gets under way. The need for the catalytic effect of solar energy is evident not only in the matter of producing hot water in St. Louis but also in the more weighty matters of national policy problems: the disastrous rate of inflation, largely impelled by the rising price of energy, which is eroding most families' earnings; unemployment in the automobile and other major industries, much of it worsened by the high cost and threatened shortage of energy; the feelings of frustration and impotence of the citizen or the community confronted with the concentrated wealth that is symbolized by billion-dollar nuclear-power plants; the still unmitigated curse of environmental degradation; the growing demand for capital, especially by energy industries—a demand that is outrunning the supply and that threatens industrial development.

None of these problems can be swept away in a flood of sunlight, but solar energy can play its special part in the effort to solve each of them. Solar energy could at once begin to supply a large part of the energy now used for space heat, hot water, and—with little further development—air-conditioning.

The householder not only would enjoy reduced bills now but also would be relieved of the spectre of constantly increasing ones. In effect, by purchasing a solar heater today the householder can establish a hedge against inflation—investment in goods that will retain their use into the inflated future. And if solar collectors were to be installed on a sufficiently large scale, the resultant decrease in the demand for fuels might, if the law of supply and demand retains any of its force, reduce the rapid escalation of energy prices and help to check the pace of inflation generally. Any major effect to install solar collectors in the nation's sixty million homes would require the construction of equipment costing up to two hundred billion dollars or so. Unlike oil refineries or nuclear-power plants, these systems would be simple to construct and would make an ample demand for diverse kinds of labor.

The devices could be built by automobile workers in idle auto plants or by plumbers, carpenters, and metalworkers in small, community-based shops. Such a program—based, for example, on government loans to support the manufacture and purchase of solar systems—could significantly reduce unemployment.

Nor is the manufacture of solar devices—not only simple collectors but solar steam plants—likely to contribute to the growing shortage of capital. The chief reason for the increasingly intense demand for capital to produce conventional sources of energy is that those sources are heavily affected by the law of diminishing returns. Every barrel of oil that is produced makes the production of the next barrel more difficult, and more costly in invested capital; every new environmental and safety problem that is uncovered in a nuclear-power plant makes the next one more complex, and more demanding of capital. In every conventional energy source, the productivity of capital—the energy produced per dollar of capital invested—has fallen sharply with increased production. By contrast, the capture of solar energy can be continuously expanded with no decrease in capital productivity, because the production of one unit of solar energy in no way makes it more difficult or costly to produce the next. Sunlight falls continuously all over the earth, and its use on one place does not diminish its availability elsewhere—any more than a corn crop growing in the Ukraine interferes with a corn crop growing in Iowa. And so, unlike conventional energy sources, solar energy will not become progressively more demanding of capital as its use expands. What is more, as solar energy replaces conventional sources, they can be gradually phased out, reducing the most intense demand for capital in American industry.

For all these reasons, solar energy is ideally suited to local or regional development. No giant monopoly can control its supply or dictate its uses. And since a large solar installation is not basically different from a smaller one (it is only a larger aggregate of collectors, mirrors, or photovoltaic cells), there are no significant economic advantages to be gained by size as there are in, say, nuclear-power plants. Economically and thermodynamically, solar energy can be effectively applied—at first in judicious combination with conventional sources and eventually alone—to the needs of a single home or a city.

THE NUCLEAR-POWER-TRUTH MAZE

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, yesterday the New York Times carried an extremely thoughtful article by the Nobel Laureate George Wald, of Harvard University. In his article Professor Wald very ably sets out some of the most serious—and often disturbing—features of the current "nuclear, antinuclear" debate.

His plea that judgments leading to public policy should be disinterested, and his recognition that this is unfortunately rarely the case, are strong reasons for those of us in positions of public responsibility to give heightened attention to the ways in which we analyze information and how we reach "conclusions."

His statement that "it helps to know that those opposed to nuclear power have nothing to gain from their position but the public good, that they are indeed willing to sacrifice from their own pockets for the privilege of speaking out," is exemplified by the three nuclear engineers from General Electric and the staffer from the Nuclear Regulatory Commission who quit their jobs because of their concerns about nuclear safety. Not only do these men have nothing to gain by leaving their jobs; they doubtless have lost job security, professional approbation in "establishment" quarters, and stable incomes.

I would like to commend the attention of my colleagues to Dr. Wald's article, "The Nuclear-Power-Truth Maze."

The article follows:

[From the New York Times, Feb. 29, 1976]

THE NUCLEAR-POWER-TRUTH MAZE

(By George Wald)

CAMBRIDGE, MASS.—One of the prevalent myths of our time is that Government policy is based on the best obtainable information—that if the Government knows which policy will most promote the public welfare it will adopt that policy. It is this belief that fosters the constant call for more research.

In fact, almost the opposite is true. A policy having been decided on—usually for economic or political reasons—the information is sought that will support it. That is, information follows policy, rather than the other way around.

As for the information itself, one needs to distinguish advocacy from judgment. Advocacy is what a lawyer does for his client in making a case. It is one-sided; presumably another, perhaps equally able advocate, prepares the other side. But judgment is something else. It must weigh both sides, one hopes impartially. There must at least be no overt bias. A judgment must be disinterested.

These are important considerations in the present public debate involving nuclear power. A bewildered and uneasy public is faced with highly technical problems, far beyond its capacity to evaluate. Hence it is forced to rely upon the opinions of experts. But then it is crucial whether those experts are advocates or judges.

One of the main factors that undermined public confidence in the United States Atomic Energy Commission was the realization that the main thrust of this public agency was to promote the nuclear-power industry and that it was willing to compromise on standards of safety to achieve this end.

It was largely the work of persons outside both Government and industry—indeed, opposed all the way by Government and industry—that eventually forced tighter safety standards and controls.

A bewildered public seeking expert and unbiased opinion hopes to find that in the universities. And rightly so. The entire insistence on academic freedom rests on the assumption that the universities are engaged in an objective and impartial search for truth.

One looks to them for both expertise and disinterestedness; but if one had to make a choice, disinterestedness is the more important. For experts are all about us; industry and Government employ large numbers of them. Disinterestedness is the rare and precious quantity.

I make so much of this because at present the public, trying to reach a position on nuclear power, finds professors on both sides. Whom is one to believe?

It needs to be understood that, as in so many other instances, those professors do not face a symmetrical situation. They must find their way in a heavily biased context.

One outcome, favoring the rapid spread of nuclear power, the relaxation of safety standards, the optimization of benefits and minimization of the risks involved—those views enlist large political and financial support, and are greeted with official approval, eager acceptance and wide publicity.

The other viewpoint, concerned as it is with troubling problems of powerplant safety, control of nuclear pollution, plutonium 239 as a source both of high toxicity and fission bombs, and the still wholly unresolved burden of nuclear-waste disposal that promises to remain a problem for hundreds of thousands of years—that opposition viewpoint offers no reward but its own conviction. It has no client, unless society at large becomes its client.

Early in 1975 a group of 32 "notable scientists," mainly physicists, issued a "Scientists' Statement on Energy Policy" that urged the rapid expansion of nuclear power as the only realistic solution of our coming energy needs. Recognizing potential dangers, it concluded that there exists no available alternative and that with proper care this expansion would involve benefits that far outweigh the risks.

Was this widely disseminated statement advocacy or judgment? One hopes the latter, since these are very distinguished scientists, widely respected by their colleagues. Twenty-six of them, including eleven Nobel Prize laureates, were identified only as professors in major universities.

Hence, it was with some dismay that I read an analysis by a fellow academic physicist that showed that 14 of the 26 academic signers are members of the boards of directors of major United States corporations, including corporations directly and indirectly involved in energy production. I would not question the integrity of any of these persons; yet it must be recognized that such an affiliation in this connection does not suggest—it defines conflict of interest.

The only reprehensive element I would plead in the relationships themselves is in the failure to disclose them. Imagine the difference in impact had these academic signers listed themselves as directors of Exxon, Nuclear Systems, Iowa Electric Light and Power, Detroit Edison and the like!

The business of the energy industry is not to make energy but to make money. In pursuit of that singleminded purpose it continuously lobbies, infiltrates Federal agencies, funds candidates in both major parties, devotes many millions of dollars to "educational" propaganda, and does everything it can to avoid regulation.

We scientists are often asked whether it might be possible eventually to produce nuclear-power safely. That is a technical question, and the answer to it may well be yes. But that is the wrong way to ask the question. The real question we face is whether nuclear power can be produced safely while maximizing profit. The answer to that question is no.

We had a nice instance of the real situation at a news conference in Washington on Aug. 6, 1975, when the Union of Concerned Scientists presented to the Administration and Congress a petition signed by 2,300 scientists and engineers asking restraint on the further construction of nuclear-power plants until problems involving their safety were under better control.

One of the speakers was Rear Adm. Ralph Weymouth, recently retired from the Navy. What had disturbed Admiral Weymouth was the great disparity between safety precautions observed by the Navy in its nuclear installations and those taken by the nuclear industry. The point is simple enough: The Navy operates without regard to profit, whereas the industry bends all its efforts to

maximize profit, and regularly cuts corners to achieve that end.

Everyone is an idealist, not just you and your friends but all those on the other side. Just ask them, and they will tell you.

Having to find my way through a maze of frequently conflicting ideals, I finally adopted a rough rule of thumb: If the ideal costs something—in money, privilege, status—that makes it a little more credible. If, on the contrary, it pays off in any or all of those ways, then I fall back on the principle of scientific parsimony: If you have one explanation for a phenomenon there is no need to seek a second explanation.

Those of us who oppose nuclear power in its present forms have nothing to gain thereby but our share in the common good. Our opposition brings us into conflict with all the centers of power. It costs us our own money. It threatens rather than raises our professional status. Lately, three General Electric engineers and a Federal safety supervisor resigned their management jobs in nuclear-power installations. One gets no medals for such behavior, only opprobrium from Govern and industry, only the lasting stigma of not being a team player.

Whom is one to believe? One cannot be sure. But it helps to know that those opposed to nuclear power have nothing to gain from their position but the public good, that they are indeed willing to pay for the privilege of speaking out.

PUBLIC FINANCING FOR CONGRESSIONAL CAMPAIGNS—ESSENTIAL FOR EFFECTIVE CAMPAIGN REFORM

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, one of the major deficiencies in our political system is the excessive influence of money on the electoral process and the extent to which special monied interests receive special treatment as a result. Legislation to regulate the manner in which political campaigns are financed has largely been a piecemeal effort, beginning with the Federal Corrupt Practices Act of 1925.

Although the Revenue Act of 1971 and the Federal Election Campaign Act of 1971 authorized public funds to finance Presidential and Vice Presidential campaigns, nothing has been done to bring equity into the manner in which congressional and senatorial races are financed or of eliminating the corrupting influence of money on congressional elections. Thus, the vast majority of candidates must continue to depend on certain special interests and persons of wealth in order to finance their campaigns. This is especially true for candidates seeking to challenge incumbents. In the 1974 House elections, for example, Common Cause reported that incumbents outspent major-party challengers in about 80 percent of the races.

It is important to note that the Supreme Court has upheld the constitutionality of public financing for Presidential campaigns and held that public financing was the only permissible vehicle for limiting campaign expenditures. Affirmative steps must be taken to extend this procedure to House and Senate campaigns.

Last month Senators HUGH SCOTT and EDWARD KENNEDY prepared a very timely and perceptive article on congressional campaign financing for the New York Times Op-Ed page. This well-written article not only spells out the effects of the Supreme Court's decision but also makes the very vital point that—

If public financing was important for Presidential elections, it is even more important for Senate and House elections.

One of the major failings of the present system, as Senators SCOTT and KENNEDY observe, is that—

By outlawing spending limits, the Court leaves candidates of modest means in a deeper lurch than before against wealthy opponents.

Last Friday, the Court gave the Congress an additional 3 weeks in which to reconstitute the Federal Election Commission in order to meet the standards set by the Court. I am hopeful that our colleagues in both Houses will use this additional time wisely and that they will have the courage to include public financing for congressional elections along with the reestablishment of the FEC.

Mr. Speaker, I insert herewith, for inclusion in the RECORD, the very astute and thought-provoking article prepared by Senators SCOTT and KENNEDY:

FINANCING CONGRESSIONAL ELECTIONS

(By HUGH SCOTT and EDWARD M. KENNEDY)

WASHINGTON.—Mark Twain is reported to have said that the United States has the finest Congress money can buy. A jest, perhaps, but it has the sting of truth, because of the way campaigns for the Senate and House of Representatives have been financed in the past.

Wealthy campaign contributors and their favored candidates created the appearance—and sometimes the reality—of corruption and conflict of interest, of bribery and extortion, as contributors vied for access, influence and even outright control over candidates for office.

The fund-raising abuses of the 1972 Presidential campaign created the pressures for reform that culminated in the Federal Election Campaign Act of 1974. For the first time, the 1976 Presidential elections are being paid for by the people, through the dollar check-off on the income tax form.

Virtually all the candidates of both parties in the primaries have qualified for matching grants of public funds. All the expenses of the Republican and Democratic nominees in the November election will be paid for completely by public funds. The fat cats are shut out.

But not completely. Congress refused to clean its own stables in 1974. Adopting a "holier than Watergate" attitude to election reform, it left a double standard in the law. It preached public financing for Presidential elections, but practiced only a patched-up version of private financing for itself. Now, opportunity is knocking a second time. Prompt legislation by Congress is required to revive the Federal Election Commission, struck down by the United States Supreme Court.

At the same time, the Court's solid endorsement of the constitutionality of public financing gives Congress a green light to reform its own elections as part of the legislation now being readied.

In fact, the Court's decision adds significant momentum to the drive for Congressional public financing.

By outlawing spending limits, the Court leaves candidates of modest means in a deeper lurch than before against wealthy opponents. The recent ruling appears to give the wealthy candidate a constitutional right to bury an election by spending unlimited amounts from his own pocket, while others must raise funds under the applicable contribution limits—$1,000 from individuals and $5,000 from groups.

Some have suggested resolving this dilemma by raising or abolishing the contribution limits so that candidates may receive private funds in amounts larger than the modest levels now allowed. But the solution would be the antithesis of reform. It would return Congressional election financing to the dark ages of unacceptable influence and corruption. The better answer is public financing, on the model already applicable to Presidential elections and now widely accepted by taxpayers and candidates.

We have long felt that campaign financing abuses were more serious for Congress than for the Presidency. For years, going back in some cases over decades, there has been a connection between campaign contributions and the way Congress works its will. And the connection has become more pervasive and insidious as the role of Congress grows and as Federal laws affect more areas of the nation's life.

We know that even now, as 1976 unfolds, influential interest groups are all dressed up and waiting in the wings. Their campaign chests are the fattest in their history. The alarming proliferation of political-action committees is becoming the most notorious new loophole in the election laws, more notorious even than the spending loopholes opened up by the Supreme Court's decision for rich candidates and rich activists.

Abuses of campaign financing do not stop at the other end of Pennsylvania Avenue. If public financing was important for Presidential elections, it is even more important for Senate and House elections. This obvious reform is the wisest investment a taxpayer can make in the future of the country. It can help guarantee that the political influence of citizens and interest groups on Congress will be measured by their votes and voices, not the thickness of their bankrolls. There is still time to enact this reform for the 1976 Congressional elections. The present debate will tell whether Congress is prepared to make an honest legislature of itself, or whether Mark Twain's sarcastic aphorism still reigns on Capitol Hill.

THE NATIONAL HOUSING CRISIS

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, there is no question that the housing situation in the United States, and particularly in urban areas, is desperate and that this bears directly on the long-standing unemployment crisis, particularly in the construction industry. What is most disconcerting is that it seems that nothing is being done to effectively cope with either of these problems.

Since 1970 there has been an annual increase in households on the average of 1.5 million. However, approximately 500,000 to 700,000 housing units are removed from the inventory each year. In order to simply maintain the inventory and accommodate growth, from 2 to 2.2 million additional units are required. Add to this the necessity to replace the several hundred thousand occupied substandard units and the average annual requirement increases to a range of 2.4

to 2.6 million units of housing. The sad fact is that total production of new housing in 1974 was in the range of 1.4 million units and, last year, this figure fell to a level of about 1.2 million units. Thus, there is presently a deficit of an estimated 1.2 to 1.4 million housing units.

The lack of adequate housing is further exacerbated by the high proportion of housing requiring substantial rehabilitation. Some measures of deficiency in housing units are lack of some or all plumbing facilities, lack of heat, exposed wiring, cracks in ceilings and walls, and roofs with water leakage. In 1973, for example, nearly 3.6 million housing units lacked some or all plumbing facilities. Of the more than 59 million occupied units with heating equipment in 1973, nearly 5 million—or 8.4 percent—were reported to have suffered breakdowns in heating. Further, some 3.3 million—or 5.5 percent—had some rooms closed due to inadequate heating systems. In addition, 2.7 million units had some or all wiring exposed and nearly 5.3 million units were reported to have roofs with water leakage.

Coupled with these urgent housing requirements and gross deficiencies, the Nation's construction industry has demonstrated consistently high levels of unemployment. As of January 1976, 652,000 construction workers were unemployed—reflecting a clearly unacceptable unemployment rate of 16 percent.

The conditions which exist in terms of joblessness in the building trades and longstanding housing needs can be accurately viewed in a microcosm in Westchester County, N.Y. Overall unemployment in the construction industry, for example, is over 50 percent. In certain sectors of this industry it is much higher—approximately 80 percent for operating engineers, 60 percent for bricklayers, and 55 percent for laborers. Unemployment among Westchester carpenters is 30 percent, 25 percent for painters, and 21 percent for electricians.

Consider these very disturbing figures along with the fact that almost 42 percent of the housing in Westchester County is over 40 years old and that an estimated 20,000 to 25,000 housing units in the county are considered deteriorated, that is, units in which the health, safety, and welfare of the inhabitants are jeopardized. Furthermore, between 1973 and 1975 there was a 65-percent decline in housing starts in Westchester and between 1974 and 1975 this figure rose to 73 percent.

Recently the legislative committee of the New York State Association of Renewal and Housing Officials—NYSARHO—has prepared interesting and useful data regarding decreases in community development grants to communities in New York State during the last 3 fiscal years of the program and some very timely and thought-provoking proposals pertaining to the community development program. As the NYSARHO's proposal so aptly notes:

The Community Development Program is not funded at a scale sufficient to make significant progress towards meeting the goals set forth in the preamble to the Housing and Community Development Act of 1974.

Mr. Speaker, I believe the recommendations of the NYSARHO legislative committee warrant careful and serious consideration by our colleagues. I have already made them available to the able chairmen of the House Banking, Currency and Housing Committee and its Housing and Community Development Subcommittee and to the Secretary of Housing and Urban Development. I insert them herewith for inclusion in the RECORD and commend them to our colleagues' attention:

FEDERAL LEGISLATIVE PRIORITIES OF THE NEW YORK STATE ASSOCIATION OF RENEWAL AND HOUSING OFFICIALS, INC., FEBRUARY 1976

We note that the Congress will this week consider the overriding of the President's veto of the Public Works Employment Act of 1975. We support this important legislation and urge an affirmative vote by the Congress.

Many sections of our State are suffering from severe unemployment, particularly in the construction industry. The economy of the State and inaction have brought about this crisis situation. The failure to adequately fund and expeditiously administer the various federally assisted housing programs has contributed to the high incidence of unemployment. Our municipalities and the State are unable to adequately fund much needed public works improvement programs which would help to revitalize decaying sections of our older communities. This legislation would help to alleviate some of the most severe problems.

We have in the past year communicated with HUD, the Congressional Housing, Legislative, and Appropriations subcommittees, and individual members of our State's Congressional delegation, on many individual housing and community development needs. There are many technical and administrative problems that inhibit the ability of our municipalities to use these programs in an effective way.

Certainly, we do not have federal housing assistance programs that work in terms of new housing construction for low, moderate, and middle-income families. The Community Development Program is not funded at a scale sufficient to make significant progress towards meeting the goals set forth in the preamble to the Housing and Community Development Act of 1974.

Set forth below are our legislative priorities. We have not attempted to highlight all of the technical problems we face. We shall communicate the latter on a case-by-case basis to HUD officials and the Congress. We want to focus here on those items that require early and urgent attention in terms of major legislative actions.

I. Fiscal Year 1977 Community Development Funding Requirements.

For fiscal year 1977, we recommend a program level for the community development block grant program at least equal to the balance of the available authorization—3.148 billion dollars.

II. Fiscal Year 1978–80 Community Development Funding.

That during calendar year 1976, the program authorization level for fiscal years '78, '79, and '80 be established by Congress.

That the Community Development grant formulas under Section 106(g)(2) and 106(h) be adjusted so that no recipient receives less in fiscal years '77, '78, and '79 than was received during the prior three years. For those recipients who were to be phased into higher levels of funding, the formula should remain the same.

As the formula currently provides most of the grant recipients in New York State would in the last three years receive only one-third of what they received in the prior three. This would mean a drop off of over $200 million in grants to those New York State communities. We have prepared a separate report that documents this on a community-by-community basis.

That the amount of program discretionary funds to be made available be increased.

III. Public Housing; Sufficient funding for operating subsidies, modernization and rehabilitation.

Our housing authorities must have sufficient funding to meet increased costs of management and energy and to provide the necessary tenant social services assistance. They are restricted by law as to the rents they can charge and the income levels of tenants. There must be adequate subsidies to meet this gap.

It is far cheaper to modernize or rehabilitate an old unit than to build a new one. Providing substantial funding for this is the most fiscally prudent step that the Congress can take.

IV. The Section 8 New Housing Construction Program doesn't work.

Since the passage of the Act in August of 1974, we have not seen one unit of new Section 8 construction in New York State. Obviously, there are problems.

There are many devices HUD can use to make the program work. These include guaranteeing State and local housing finance agency bonds; a tandem plan for FHA insurance and GNMA purchase of mortgages; combinations of these; review of the allowable fair market rents; a new processing system, among others. We believe HUD knows what most of the problems are and is aware of the many alternatives for solving them. We have yet to see evidence that the program will soon be working.

Until there is evidence that the Section 8 new construction program works, we propose that there be a moratorium on its use on other than a pilot basis.

We propose that the emphasis be shifted back, at least temporarily, to a reliance on the conventional public housing and the 236 programs as the basic new construction tools for housing low and moderate-income families. As soon as the bugs in Section 8 are worked out these old programs can then be slowly phased out, and a viable Section 8 program then substituted for them.

V. The Section 312 Rehabilitation Loan Program.

We request that the Congress extend the 312 program through fiscal year 1977 and provide sufficient new funding authority at a level at least equal to 100 million dollars.

We recommend that, except in unusual cases, the early loan commitment procedures under the 312 program should be abandoned in favor of a system of loan commitments related to actual applications.

We strongly urge that additional HUD staff should be provided and adequately trained to administer the 312 program on a continuing basis.

VI. Orderly Completion of Urban Renewal Projects.

We propose that Congress authorize and appropriate, during the fiscal year 1977 to 1980 period, a minimum of 500 million dollars in Urgent Needs funds for completing urban renewal projects with not less than 100 million dollars available in any given fiscal year.

We propose that HUD, during 1976, require each community to prepare and transmit a study establishing what its needs are for completing urban renewal projects.

We propose that the results of the urban renewal completion survey be transmitted by HUD to the Congress, so that it might revise the authorization based upon hard information.

We propose that HUD institute a policy of making urban renewal-capital grant progress payments in the exact amount of dollars which have been expended locally.

VII. HUD Community Development policy determinations, regulations, and forms.

That HUD regularly issue policy letters to a formal distribution list including all community development recipients and interested community groups.

That HUD issue all new forms and regulations during the July 1st and December 1st period of each year.

VIII. Community Development—Housing Program Relationships.

That HUD restructure the Housing Assistance Plan so that its emphasis is on producing a well-thought-out achievable action program which will meet a broad spectrum of housing needs and will be coordinated in an action framework with the local Community Development Program.

That HUD review and revise all of the regulations and procedures of the various operating housing programs to assure that they give due priority to those related to Community Development and urban renewal programs.

That the existing Section 8 program be revised so as to permit these units to be used by a municipality in a focused program which specifically relates to other Community Development efforts.

IX. Loan Guarantees: A device for helping Community Development to focus on the elimination of slums and blight.

A local government or its designated entity may avail itself of federally guaranteed loans to finance up to 90 percent of payments for land and other major capital outlays eligible as community development activities.

Loans may be amortized over a period of up to 10 years, subject to extension by the Secretary in cases of hardship.

The Secretary of HUD is authorized to accept as the local guarantee a pledge of the local government's annual entitlement to future community development grants to the extent necessary to cover annual carrying charges on outstanding guaranteed loans and/or a locality may also use disposition proceeds of land acquired with Community Development grants or loans, and other revenues for loan amortization.

Where a local governing body so requests by resolution, HUD shall make a loan guarantee available directly to any other local agency empowered by state or local law to make such loans and carry out the purposes of the program.

X. Insuring State Housing Finance Agency Bonds.

These agencies have played a most important role in housing production. They are now effectively shut out of the market-place because of national economic trends.

Congress has enacted legislation which can be used by HUD to make these agencies operative and viable. We ask that these tools be used and that other steps be taken to infuse these agencies with the capital needed to finance Section 8 and middle-income construction.

XI. Expansion of the section 202–8 Senior Citizens Program.

There were applications for over 40,000 units in our region. We were allocated about 1,600 units.

We recommended that the authorization and appropriation be increased so that there are at least 10,000 units available on an annual basis in our region.

XII. The "New" Section 235 Program.

We desperately need a home ownership program for families who cannot afford to purchase decent homes at private market prices.

The "new" Section 235 program will not work in many areas of New York State because it is impossible to produce housing within the permissible mortgage limits. These need to be raised to relate to actual land and construction costs in a given market.

The interest rate for the program is too high and results in a housing cost that is greater than the target market can afford to pay. We propose that the one percent (1%) rate originally set by Congress be reinstated.

XIII. Existing 236, 221–d–3, and Other Assisted Projects.

Many of these projects are encountering financial difficulties through no fault of their own. The original financial structure was not geared so as to be able to absorb the major increases in costs of energy and management. Because of the recession, the incomes of the tenants of these projects have not increased to the extent required for them to be able to absorb rent increases.

There are a number of tools available to HUD and possible steps Congress can take to restore the viability of these projects. These include: operating subsidies, refinancing of mortgages, a moratorium on debt service, an energy adjustment subsidy, among others.

Another step to be considered is a removal of project income limits, with all families paying not less than 25 percent of their incomes (except in hardship cases) for rent up to the necessary economic rent. This would increase rental income to the project and thus develop some subsidy funds for those families who cannot afford to pay the increased rents. It would also further the goals of economic integration and broaden the housing supply for those who cannot find housing on the open market.

NEW YORK STATE ASSOCIATION OF RENEWAL AND HOUSING OFFICIALS, INC.,

Albany, N.Y., February 12, 1976.

REPORT OF NYSARHO LEGISLATIVE COMMITTEE

Re Decreases in C.D. grants to New York State Communities over the last three fiscal years of the program (Fiscal years 1978–1980).

The attached table documents the decreases that will occur unless the C.D. funding formula is changed. They will total $207,264,000 for the State.

NYSAHRO is requesting that Congress change the law so that municipalities who would have suffered a decrease remain at the same level. For those few who will receive increases, we ask that they be allowed to receive these as their needs are great. To accomplish this, and to provide for adequate discretionary funds, Congress will have to increase the total authorization and appropriation.

[In thousands; fiscal years]

	Total CD grants		Total loss in grants over last 3 fiscal years
	1975–77	1978–80	
Albany-Schenectady-Troy SMSA:			
Albany	6,270	5,676	594
Amsterdam	3,582	1,194	2,388
Cohoes	10,701	2,583	8,118
Mechanicville	1,608	536	1,072
Saratoga Springs	4,365	1,455	2,910
Schenectady	4,431	3,469	481
Troy	4,242	3,382	860
Watervliet	1,227	409	818
Binghamton SMSA: Binghamton	15,888	6,635	9,253
Buffalo SMSA:			
Buffalo	33,540	24,188	9,352
Lancaster	1,308	436	872
Lockport	3,027	1,009	2,018
Niagara Falls	4,737	4,113	624
Tonawanda	2,217	739	1,478
Elmira SMSA:			
Elmira	4,827	2,971	1,856
Elmira Heights	2,595	865	1,730
Nassau-Suffolk SMSA:			
Freeport	4,017	1,339	2,678
Glen Cove	11,634	3,878	7,756
Hempstead Town	1,137	379	758
Hempstead Village	3,309	1,103	2,206
Huntington Town	1,029	343	686
Islip Town	1,308	436	872
Long Beach	4,338	1,446	2,892
North Hempstead	7,854	2,618	5,236
Rockville Centre	492	164	328
New York SMSA:			
Greenburgh	2,157	719	1,438
Lewisboro Town	18	6	12
Mount Kisco	1,167	389	778
Mount Vernon	7,618	4,378	3,240
North Tarrytown	33	11	22
Nyack	891	297	594
Ossining Village	2,325	775	1,550
Peekskill	8,916	2,972	5,944
Spring Valley	1,500	500	1,000
Tarrytown	1,821	607	2,214
Tuckahoe	999	333	666
White Plains	11,136	4,900	6,236
Yonkers	15,735	10,491	5,244
Yorktown	1,278	426	852
Poughkeepsie SMSA:			
Beacon	8,241	2,747	5,494
Poughkeepsie	31,936	11,005	20,931
Rochester SMSA:			
East Rochester	1,812	604	1,208
Fairport	1,707	569	1,138
Medina	1,866	622	1,244
Newark	3,441	1,147	2,294
Rochester	41,616	21,483	20,133
Syracuse SMSA:			
Fulton	2,907	969	1,938
Oswego	1,047	349	698
Syracuse	35,193	16,983	18,210
Utica-Rome SMSA:			
Ilion	738	246	492
Little Falls	471	157	314
Rome	4,569	2,815	1,754
Utica	4,653	4,367	286
Nonmetropolitan areas:			
Auburn	408	136	272
Batavia	2,805	935	1,870
Corning	1,302	434	868
Cortland	1,500	500	1,000
Dunkirk	3,177	1,059	2,118
Glens Falls	4,692	1,564	3,128
Gloversville	537	179	358
Hornell	2,616	872	1,744
Hudson	2,757	919	1,838
Ithaca	1,275	425	850
Jamestown	4,764	1,588	3,176
Kingston	4,077	1,359	2,718
Middletown	1,290	430	860
Monticello	2,811	937	1,874
Newburgh	6,438	2,146	4,292
Norwich	171	57	114
Ogdensburgh	1,887	629	1,258
Olean	2,688	896	1,792
Oneonta	1,482	494	988
Penn Yan	87	29	58
Plattsburgh	2,481	827	1,654
Port Jervis	624	208	416
Potsdam	609	203	406
Salamanca	162	54	108
Watertown	999	333	666
Woodridge	117	39	78
Total losses in State			207,264

"NO-WIN" CDC?

(Mr. VAN DEERLIN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. VAN DEERLIN. Mr. Speaker, the California Democratic Council, a noted political volunteer organization in my home State, has completed its winter meeting in Los Angeles over the weekend with two remarkable endorsements: Fred Harris for President, and Tom Hayden for U.S. Senator.

Mr. Hayden, the former antiwar radical married to actress Jane Fonda, outpolled incumbent Senator JOHN V. TUNNEY by a onesided 68.6 to 24 percent.

CDC members are obviously entitled to their opinions, but yesterday's action raises questions about the viability of this once highly regarded organization, founded in the late fifties.

If I did not know and respect individual CDC people as I do, I might harbor a suspicion that this ostensibly liberal Democratic group is in cahoots with the GOP.

Republicans would love to have Hayden win the Democratic nomination. They figure he would be a setup for any Republican nominee—an ideological purist who could not win in November.

Fortunately, rank-and-file Democrats of California do not feel the same way as the CDC. Results of the latest Field poll, coincidentally released this morning, show Senator TUNNEY ahead of Hayden by 55 to 15 percent, a margin of nearly 4 to 1.

These voters appreciate Senator TUNNEY's record of accomplishment on behalf of the State and Nation, and they know he is the man to beat. So do the Republicans.

As for CDC's support of the estimable Fred Harris, granted on a 2 to 1 vote, I think other contenders, such as our House colleague, MO UDALL, have already demonstrated they are far more likely to win not only the Democratic nomination for President but also the Office itself.

The latest CDC endorsements are politically unreal. They show the CDC can safely be ignored by candidates as well as by the electorate.

WHY SOVIET EMIGRATION HAS DECLINED

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, in the New York Times of Thursday, February 26, there is a letter written by four Soviet citizens now in Moscow who, at the risk of their lives, sent a letter for publication in the New York Times to tell what the facts are concerning the decline in Soviet emigration, and refuting an article written by Gen. Boris Shumilin, Soviet Deputy Minister of Internal Affairs. These four men, B. Levich, S. Alber, N. Meiman, and L. Korenfeld, are following the leadership of Solzhenitsyn and Sakharov in speaking the truth even while behind the bars of the U.S.S.R. which today is their prison. I am appending that letter:

[From the New York Times, Feb. 26, 1976]

WHY SOVIET EMIGRATION HAS DECLINED

To the Editor:

The Feb. 3 Op-Ed article about Soviet emigration, written by Gen. Boris Shumilin, Soviet Deputy Minister of Internal Affairs, might have given your readers a distorted impression about the actual state of things.

The author mentions the considerable decrease of the number of emigrants. In particular, the number of Jews who left this country in 1975 turns out to be only about a third of the number that left in 1973. He acknowledged that some categories of people are kept in the country, even produced a figure: 1.6 percent of the total number of those having left the country within thirty years.

That figure evokes our strongest doubts: In 1975 about 2,000, or 14 percent of a total of 13,700 wishing to leave, were refused or the refusal was confirmed.

The procedure of considering applications for exit visas is in fact far from what the author endeavors to present. This is the reality: Persons unknown, guided by instructions unknown and proceeding from motivations unknown, return their verdicts in the absence of those applying. In case of refusal, one is deprived of the right to choose his place of residence, a right established in the General Declaration of Human Rights and solemnly confirmed in Helsinki.

This sentence is indefinite, and there is no appeal. The only right remaining is that of applying again for an exit visa in the hope that the sentence will be changed. But one has to wait at least a year. According to Shumilin, the main reason for refusal of an emigration visa is the knowledge of state secrets, but in the U.S.S.R. all secrets are state secrets. Therefore, any intellectual profession, including work in the most peaceful branch of industry or science, might entail the knowledge of "state secrets." To illustrate: If one goes to a public library and wants to read certain foreign publications, one has to present a permit allowing access to secret documents. Even reading The New York Times in the library requires special permission.

We were also amazed to read that "the fact of the application as a rule does not affect the social position or the official duties performed by an applicant apart from those being engaged in the military industry." In reality the very fact that an application has been submitted damages, immediately and in a most essential way, both the social position and the official function as well as the private life of the applicant and his family.

All this taken together—the uncertainty of one's fate, the hard life of those waiting for years for permission, the fear for the fate of one's children and, finally, disappointment and decreasing hope in the triumph of justice and humanity—these are the genuine causes of emigration decline.

B. LEVICH,
S. ALBER.
N. MEIMAN.
L. KORENFELD.

Moscow, February 6, 1976.

CORRESPONDENCE CONCERNING HUGO BLANCO

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, during the course of a year many Members of Congress receive requests from constituents and organizations seeking their aid in bringing individuals, who have been barred by the State Department, into the United States to lecture and engage in other organizational activities.

It is my practice to pursue these matters so as to ascertain whether the Department of State has proceeded in a reasonable manner. One such matter came to my attention in September 1975 concerning Hugo Blanco. I think the correspondence on this matter will be of interest to our colleagues:

U.S. COMMITTEE FOR JUSTICE TO LATIN AMERICAN POLITICAL PRISONERS,
New York, N.Y., September 22, 1975.

Mr. ED KOCH,
New York, N.Y.

DEAR MR. KOCH: Plans for the important tour of Hugo Blanco, author, internationally known Peruvian peasant-union leader and refugee of the Chile coup have been threatened by the U.S. State Department. For two months the State Department has stalled issuing a visa to Mr. Blanco. Many prominent individuals (see Enclosures) have sent messages to the State Department urging that a visa be granted with no further delay.

In spite of these protests and the growing number of invitations for Mr. Blanco to speak at universities across the nation, the visa still has not been granted. Recently, we have been told that Secretary of State Kissinger has the visa application for review.

Your message protesting this anti-democratic harassment and calling on Mr. Kissinger to immediately issue the visa can be of substantial aid in assuring Mr. Blanco's right to enter and speak in this country.

Yours,

STEVE SCHMUGER,
NYC USLA.

[Newsletter of the U.S. Committee for Justice to Latin American Political Prisoners, September 1975]

STATE DEPARTMENT DELAYS BLANCO TOUR

The long awaited tour of Peruvian peasant leader Hugo Blanco, due to begin Sept. 25th, is being seriously threatened by delaying tactics of the U.S. State Dept. The facts of Mr. Blanco's application for a visa reveal a shockingly deliberate campaign by the State Dept. to prevent his views from being heard here. After receiving numerous invitations from academic depts. of leading universities Mr. Blanco applied in mid-July at the U.S. Embassy in Stockholm, Sweden, for a visa to enter the U.S. on Aug. 15th.

Mr. Blanco complied with all the formalities and was told he would receive an answer in early August. When he checked back in early August he was told that no decision would be made until late August because of unspecified "problems". On Sept. 4th he was told the decision was being put off for another three weeks, which would be the first day of his scheduled tour, Sept. 25th.

With these delays the right of many of the individuals and organizations who have invited him to speak is jeopardized. It also raises the possibility that they may deny him a visa altogether. When it became clear that delay was the policy of the State Dept. many of those who had originally invited Mr. Blanco to speak were joined by prominent individuals in addressing inquiries and protests to the State Dept. over the latter's harassment of the tour. Among those sending protest letters or telegrams were:

Thomas M. Davies, Jr., Chairman, Latin American Lecture Series, San Diego State.

Richard Fagan, Prof. of Political Science, Stanford University.

Richard Falk, Acting Director, Center of International Studies, Princeton Univ.

Rev. G. G. Grant, S.J., Loyola University of Chicago, Jesuit Community.

Congressman Michael Harrington (Massachusetts).

Yates Hofner, Dean, Monteith College, Wayne State University, Detroit.

Tom Hayden, Democratic Candidate for Senator, California.

Phyllis Kahn, State Representative, Minnesota.

Sidney Lens, author.

Froben Lozada, Chicago Studies Dept., Merrit Community College.

Rev. David McGowan, AGAPE House, Univ. of Illinois.

Congressman Parren Mitchell (Maryland).

Deen Peerman, Managing Editor, *Christian Century.*

Michael Predmore, Professor, Univ. of Washington, Seattle.

Leland Rayson, State Representative, Illinois.

Ramona Ripston, Executive Director, ACLU, So. California.

Joining the campaign to defend Blanco's right to tour the U.S. is his U.S. publisher, Pathfinder Press of New York. In a letter to the State Dept. Pathfinder explains that they plan to meet with Mr. Blanco to discuss business matters and express concern over delays or a denial of his visa, pointing out that "continued delay or denial would violate the recent Helsinki Agreement ("The Conference on Security and Co-Operation in Europe, Final Act," issued by the U.S. State Dept., 1975). The Agreement is quite specific regarding the rights to cultural exchange. On page 123 of the Final Act, the first item discussed under the section on access to books we find twelve paragraphs outlining the rights of authors, publishing houses, and audiences to free access, co-operation, and exchange. We find that our rights and Mr. Blanco's have been abridged under seven of these paragraphs (See paragraphs 1, 3, 4, 5, 6, 7, and 10; Final Act, p. 123 and 124)." Pathfinder plans a big campaign in the publishing industry and media in general to defend the right of its author to enter the U.S.

WHY THE STATE DEPT FEARS BLANCO'S IDEAS

This shocking delay can probably be traced to the fact that Blanco's eyewitness accounts of the Chile coup with its brutal repression and the U.S.'s role in it would prove embarrassing to the government at a time when congressional investigations of the CIA machinations in Chile and other sources reveal an ever widening and sinister pattern of U.S. intervention in that country.

HOW TO WIN THE VISA FIGHT

The government must not be allowed to trample on the democratic right of Blanco to speak, or the right of those who invited him to hear him. We can and must defeat this anti-democratic harassment. USLA supporters and other defenders of civil liberties will want to increase the effort to mount pressure on the State Department to grant Blanco's visa. Here are some of the actions that can be undertaken:

Send a telegram or letter of protest to: Leonard F. Walentynowicz, Bureau of Security and Consular Affairs, Department of State, Washington, D.C. 20020

Get other prominent individuals and organizations to do the same. Be sure to send a copy to USLA!

Send a financial contribution to meet the ballooning expenses of the defense effort. Thousands of dollars are needed to mount this effort, in addition to the cost of actually touring Blanco, when the visa is approved.

Ask other supporters of civil liberties for contributions.

Help organize and build the meetings for Blanco in your area. Continue to build large meetings with broad co-sponsorship. This will do two things. First, it will generate more pressure on the State Department since that many more individuals and groups will be angered by the State Department harassment. Secondly it will assure that we will not be caught unprepared when the visa is approved.

Media work is quite important. A special effort to get a press release into the local media, including the campus and Spanish press, will generate much public support for the effort.

WHO SHOULD BE APPROACHED FOR THIS DEFENSE?

There are people from many walks of life who will want to know about Blanco's tour and who will protect efforts to delay granting him a visa. Latin American Studies professors, Chicano, Puerto Rican, and international student groups (especially those of Latin American students), student government and other student groups will have a natural interest. Farm Worker and other unions will be interested after learning of Blanco's extensive work in organizing peasant unions for land reform, or of his history as a trade union organizer in Argentina. Church groups, who often have affiliates in Latin America will prove receptive. Organizations of Native Americans should be approached since Blanco is well known for his work among the Qechua Indians of Peru. There are many who will simply be concerned about any violation of civil liberties who should be approached.

Visit your local Congressperson or their aides and seek their support. A number have already endorsed the campaign. They will often call the State Department right on the spot and register a protest.

With a quick response to the State Department's harassment and stalling by a broad range of individuals and groups we can assure Blanco's right to enter the country and speak.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., September 24, 1975.

STEVE SCHMUGER,
USLA Justice Committee,
New York, N.Y.

DEAR MR. SCHMUGER: I have your letter of September 22nd regarding Hugo Blanco.

I have written to the Secretary of State on this matter and as soon as I have any further information, I will be in touch with you again.

Sincerely,

EDWARD I. KOCH.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., September 24, 1975.

Hon. HENRY A. KISSINGER,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: I received the enclosed letter from the U.S. Committee for Justice to Latin American Political Prisoners regarding Hugo Blanco.

I have no knowledge concerning the facts in this case and would appreciate your supplying me with whatever background material is available so that I can become more familiar with this subject.

Sincerely,

EDWARD I. KOCH.

NEW YORK, N.Y.,
September 30, 1975.

Congressman ED KOCH,
U.S. House of Representatives,
Washington, D.C.

DEAR ED: I feel indignant about the State Department's denying admission to a speaker whom many want to hear, presumably because he will testify to the brutality of the repression in Chile, and to our government's complicity in bringing it into power.

Kissinger has all the instincts of a thug, coated over with professional pomposity.

Sincerely,

BENJAMIN SPOCK, M.D.

DEPARTMENT OF STATE,
Washington, D.C., October 9, 1975.

Hon. EDWARD I. KOCH,
New York, N.Y.

DEAR MR. KOCH: Thank you for your letter of September 24 on behalf of the U.S. Committee for Justice to Latin American Political Prisoners regarding the nonimmigrant visa case of Mr. Hugo Blanco.

Mr. Blanco, a Peruvian citizen, presently residing in Sweden, is ineligible for a visa under Section 212(a)(28)(F) of the Immigration and Nationality Act which is quoted in the enclosed information sheet. A decision as to whether to recommend a waiver of his ineligibility to the Attorney General is receiving active consideration. I will write to you again as soon as a decision is reached.

Sincerely,

ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., October 17, 1975.

STEVE SCHMUGER,
USLA Justice Committee,
New York, N.Y.

DEAR MR. SCHMUGER: Enclosed is the response I received from the Department of State regarding the problem with Hugo Blanco.

Apparently the matter is still being given consideration. When I receive the ultimate decision, I will send it on to you.

All the best.

Sincerely,

EDWARD I. KOCH.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., October 21, 1975.

Dr. BENJAMIN SPOCK,
New York, N.Y.

DEAR BEN: I apologize for not answering your letter of September 30th until now, but it was not brought to my attention until today. As I understand the matter is still pending, I have sent a letter to the State Department urging that Mr. Blanco be permitted to come to this country.

I do want to note at this time a paradox. I get mail from those on the left supporting the admission into this country of speakers who are on the left and, in many cases, communist. Some of those same people who write me object when someone identified with right wing causes or, in a recent case, Italian facism seeks to come here. I take the position that with the exception of terrorists who publicly advocate murder in pursuit of their goals, those who want to have a full and free discussion of ideas should not be impeded in coming to this country for that purpose. I further believe that in the forum of discussion democratic ideals can establish their superiority over the totalitarian ones of the right or the left. What do you think?

All the best.

Sincerely,

EDWARD I. KOCH.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., October 21, 1975.

Mr. ROBERT J. MCCLOSKEY,
Assistant Secretary for Legislative Affairs, Department of State, Washington, D.C.

DEAR MR. MCCLOSKEY: I am writing with regard to Mr. Hugo Blanco, a Peruvian who I understand has encountered difficulty in obtaining a visa to enter this country because of his outspoken political beliefs. Though I have no personal knowledge of this case, I believe that, with the exception of terrorists who publicly advocate murder in pursuit of their goals, those who want to have a free discussion of ideas should not be impeded in coming to this country for that purpose. I would, therefore, urge you to allow Mr. Blanco to enter the United States without further delay.

I would appreciate any comments you might care to make regarding this matter.

Sincerely,

EDWARD I. KOCH.

DEPARTMENT OF STATE,
Washington, D.C., November 13, 1975.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: Thank you for your inquiry of October 21 about the visa application of Mr. Hugo Blanco.

Mr. Blanco applied for a nonimmigrant visa in order to visit the United States to conduct a lecture tour. He was found to be ineligible for a visa under Section 212(a)(28) of the Immigration and Nationality Act because of his previous terrorist activities and his affiliation with certain communist organizations. Consideration was given as to whether the circumstances of his case would justify the approval of a waiver of

his inadmissibility under Section 212(d)(3)(A) of the Act. The Immigration and Naturalization Service, with which ultimate authority rests, has concluded it would not be in the public interest to authorize his temporary admission into the United States. A waiver of his inadmissibility will not, therefore, be granted in his behalf.

Sincerely,

ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

U.S. COMMITTEE FOR JUSTICE TO LATIN AMERICAN POLITICAL PRISONERS,
New York, N.Y., November 18, 1975.

Representative ED KOCH,
U.S. House of Representatives, Longworth House Office Building, Washington, D.C.

DEAR CONGRESSMAN KOCH: On October 10 Hugo Blanco was scheduled to address students at the University of Minnesota in the first stop of a tour sponsored by the United States Committee for Justice to Latin American Political Prisoners (USLA). Instead, the audience listened to a taped message from the Peruvian peasant leader, author and revolutionist.

On the day before the tour was scheduled to start, a State Department spokesperson announced that Secretary of State Henry Kissinger had personally decided to bar Blanco from the United States.

Shortly after this decision, the State Department made a similar pronouncement on the visa of Sergio Segre, Italian Communist Party leader. At almost the same time the same State Department gave VIP treatment to Giorgio Almirante, a leader of the neo-fascist Movemento Sociale Italiano (MSI—Italian Social Movement).

There is an obvious question: how could one person, Hugo Blanco, so threaten the security of the United States that he is denied entrance? Blanco has just finished a tour of Sweden and Canada where no endangering of the public welfare of those countries was reported. The threat, instead, is what Blanco has to say.

Blanco was forced to flee the repressive regime of Chile following the coup there—a coup aided by the CIA as revealed, despite Kissinger's denials, in recent Congressional hearings. The subject of Blanco's tour is "Latin America, a Continent without Justice." Clearly he would have taken up the issue of CIA involvement not only in Chile, but in Argentina, Brazil and Peru.

Blanco's case has received front-page coverage in a Southern Black newspaper, the *Atlanta Voice*. Editorials and stories have appeared in the *St. Louis Post-Dispatch, St. Paul Dispatch* and *Pioneer Press, Atlanta Journal, Library Journal, San Antonio Light* and numerous campus papers.

Protests from prominent civil libertarians and organizations were directed at Kissinger's office. These protests include messages from Senator Hubert Humphrey; John Ervin, Jr., publisher of Aleksandr Solzhenitsyn's *Candle in the Wind;* Jules Feiffer; Congresswoman Bella Abzug and Dr. Benjamin Spock.

On November 11 we received word that we had won a victory. Kissinger was forced to reverse himself and recommend to the Justice Department that Blanco's visa be granted. Now it's the Attorney General, Edward Levi, who stands between the American people and our right to hear Hugo Blanco.

What is needed now is a large meeting to focus attention on the issue—that the American people have a "right to know" the full story about "Latin America, a Continent without Justice."

We would like to propose that this meeting take place the evening of Thursday, February 19 at Columbia University and that you and your organization co-sponsor this meeting. Initial sponsors include Americans for Democratic Action; Father Kennedy of the Catholic Council of Churches; Michael Harrington, National Chairman, Democratic Socialist Organizing Committee; Ruth Gage-Colby and Kate Millett.

Clearly what's at stake here is not just one visa case. What's at stake is our right as Americans to hear and consider all views. What's at stake is our right to know—without government interference—the facts about Latin America. Watergate has shown that our right to know is being threatened. We must demonstrate the increasing unwillingness of Americans to accept this kind of censorship.

Sincerely,

JAN GANGEL,
USLA Staff.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., December 1, 1975.

ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations, Department of State, Washington, D.C.

DEAR MR. MCCLOSKEY: I have your letter of November 13th concerning the visa application of Mr. Hugo Blanco.

I am particularly interested in knowing something about his "previous terrorist activities" so that I can refer to them when responding to the various letters that I am receiving which are initiated by groups and individuals espousing his cause.

All the best.

Sincerely,

EDWARD I. KOCH.

DECEMBER 5, 1975.

HON. THOMAS P. O'NEILL, JR.,
House of Representatives, Washington, D.C.

DEAR MR. O'NEILL: Thank you for your inquiry of November 21 on behalf of Ms. Lorraine Lyman about the visa application of Mr. Hugo Blanco.

Mr. Blanco applied for a nonimmigrant visa in order to visit the United States to conduct a lecture tour. He was found to be ineligible for a visa under Section 212(a)(28) of the Immigration and Nationality Act because of his previous terrorist activities and his affiliation with certain communist organizations. Consideration was given as to whether the circumstances of his case would justify the approval of a waiver of his inadmissibility under Section 212(d)(3)(A) of the Act. The Immigration and Naturalization Service, with which ultimate authority rests, has concluded it would not be in the public interest to authorize his temporary admission into the United States. A waiver of his inadmissibility will not, therefore, be granted in his behalf.

Sincerely,

ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

DEPARTMENT OF STATE,
Washington, D.C., December 11, 1975.

HON. EDWARD I. KOCH,
New York, N.Y.

DEAR MR. KOCH: Thank you for your letter of December 1 about your continued interest in the nonimmigrant visa case of Mr. Hugo Blanco.

The information which renders Mr. Blanco ineligible to receive a visa under Section 212(a)(28) of the Immigration and Nationality Act is confidential. I regret therefore that the information you requested cannot be divulged.

Sincerely,

ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., December 22, 1975.

ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations, Department of State, Washington, D.C.

DEAR MR. MCCLOSKEY: I have your letter of December 11th and I must say your response was unsatisfactory and leaves me in a position where I am not able to respond responsibly to those who have written to me concerning Hugo Blanco.

While I would oppose allowing an individual who has engaged in terrorist activities so as to make him suspect that his coming here will enhance those terrorist activities, I cannot in good conscience say to those writing that the nature of his terrorist activities cannot in any way be described and must be confidential. I think your actions and response give unnecessary support to those who criticize our system and make it unnecessarily difficult for those, like myself, who support our system to defend it in cases of this kind.

I urge you to reconsider this matter and provide me with the information bearing upon Mr. Blanco's alleged terrorist activities so that I, at least, can be better informed on the matter.

Sincerely,

EDWARD I. KOCH.

DEPARTMENT OF STATE,
Washington, D.C., January 29, 1976.

HON. EDWARD I. KOCH,
Longworth House Office Building, Washington, D.C.

DEAR MR. KOCH: Thank you for your letter of December 22 about your desire to obtain more information in connection with the refusal of a visa to Mr. Hugo Blanco.

Much of the information available to the Department is classified for reasons of security and therefore cannot be divulged under the provisions of Executive Order 11652 dated March 8, 1973, a copy of which is enclosed.

A part of the public record, however, is his declaration that he took full and sole responsibility for the murders of three policemen which occurred during a raid he and his followers made on a police station in Peru during 1962. The *Congressional Record* of December 19, 1975, contains further information about his affiliation with the Fourth International and other groups, as well as quotations from his writings in which he has advocated the use of violence.

I can assure you that Mr. Blanco's case was carefully reviewed. The finding of ineligibility under Section 212(a)(28)(C) and (F) of the Immigration and Nationality Act is mandatory. Mr. Blanco may also be ineligible under Section 212(a)(9) of the Act, which is quoted in the enclosure, because of his conviction for murder.

I hope that this additional information will be helpful.

Sincerely,

ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

U.S. HOUSE REPRESENTATIVES,
Washington, D.C.

DR. BENJAMIN SPOCK,
New York, N.Y.

DEAR BEN: Enclosed is the response I received from the State Department which, if accurate, would in my judgement be grounds for not allowing Hugo Blanco entry into the United States. Don't you agree that if, in fact, he admitted responsibility for the murder of three policemen and advocates the use of violence that those are grounds for rejection?

In your original letter to me your reference to Secretary Kissinger was "has all the in-

stincts of a thug, coated over with professional pomposity." My question is how would you now characterize Hugo Blanco? If I do not hear from you within two weeks, then I shall assume that the information provided me is correct.

All the best.

Sincerely,

EDWARD I. KOCH.

NEW YORK, N.Y.,
February 18, 1976.

Congressman EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR ED: Thank you for looking into the Hugo Blanco issue. I have no idea where the truth lies. The plea for his entry came from a responsible organization.

Sincerely,

BENJAMIN SPOCK, M.D.

CLOSING TAX SHELTER IN OPTION TRADING

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, I am introducing legislation to deal with the situation in which certain taxpayers, trading in stock options or commodities, are enabled, in effect, to create tax benefits for themselves by converting ordinary income into capital gains. This situation results from a recent IRS ruling, privately issued, but widely publicized, to the effect that if a call option is the subject of a closing transaction, any gain or loss resulting from that transaction should be treated as ordinary income or loss. A closing transaction involves the purchase of a call to close out or offset a writer's obligation under an earlier call which he had written.

The tax shelter in this area works as follows. Suppose that a taxpayer buys 100 shares of stock at $200 per share. He then writes a call, for a premium of $2,500. The call, which expires within a definite time period, allows the purchaser to buy 100 shares of the stock at $200 per share from the writer of the call before its expiration. Suppose the shares later go up to $250 per share. The taxpayer buys back the call for $5,000 in a closing transaction and is allowed an ordinary loss of $2,500. He also sells the shares of stock and makes a capital gain of $5,000. If he is in the 50-percent tax bracket, his ordinary loss saves him $1,250 in tax savings, which completely offsets the $1,250 tax on the $5,000 long-term capital gain. Thus, the taxpayer pays no net tax on a transaction in which he has realized $2,500 of economic gain.

The bill I am introducing deals with the problem by providing that in the case of any closing transaction, any gain or loss is to be treated as short-term capital gain or loss. It applies to closing transactions which occur after March 1, 1976.

This problem is potentially quite serious. As this device becomes more and more popular, it could substantially reduce tax revenues.

Accordingly, Mr. Speaker, the bill is intended to serve as public notice, as discussed in the Ways and Means Committee this morning, that Congress intends to look into this situation, and I hope will remove, effective as of today, any unwarranted tax advantages in this kind of situation. Thus, taxpayers should engage in closing transactions only if such transactions make sense from an economic standpoint, and not in reliance on any supposed tax advantages.

I might also add, Mr. Speaker, that Chairman ULLMAN indicated that the committee will hold hearings on this matter in the very near future.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. PATMAN (at the request of Mr. O'NEILL), for this week, on account of illness.

Mr. JONES of Tennessee (at the request of Mr. O'NEILL), for today, on account of official business.

Mr. MATSUNAGA (at the request of Mr. O'NEILL), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SIKES, for 30 minutes, tomorrow, March 2, 1976.

(The following Members (at the request of Mr. HYDE) to revise and extend their remarks and include extraneous matter:)

Mr. QUIE, for 15 minutes, today.

Mr. COLLINS of Texas, for 15 minutes, today.

(The following Members (at the request of Mr. WEAVER) and to include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. PHILLIP BURTON, for 10 minutes, today.

Ms. HOLTZMAN, for 10 minutes, today.

Mr. DAVIS, for 15 minutes, today.

Mr. MCFALL, for 5 minutes, today.

Mr. BRADEMAS, for 5 minutes, today.

Mr. HARRIS, for 5 minutes, today.

Mr. VAN DEERLIN, for 5 minutes, today.

Mr. MELCHER, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BROOKS, and to include extraneous matter.

Mr. MELCHER, and to include extraneous matter.

Mr. MADDEN.

(The following Members (at the request of Mr. HYDE) and to include extraneous matter:)

Mr. JEFFORDS.

Mr. YOUNG of Florida in five instances.

Mr. WYDLER.

Mr. MADIGAN.

Mr. ERLENBORN.

Mr. WALSH.

Mr. BROWN of Michigan.

Mr. CRANE.

Mr. DERWINSKI in two instances.

Mr. FORSYTHE.

Mr. FINDLEY.

(The following Members (at the request of Mr. WEAVER) and to revise and extend their remarks:)

Mrs. LLOYD of Tennessee in five instances.

Mr. SISK in two instances.

Mr. STARK in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. EILBERG in 10 instances.

Mr. ULLMAN in 10 instances.

Mr. OBEY in 10 instances.

Mr. RANGEL in 10 instances.

Mr. ROSENTHAL.

Mr. DAVIS.

Mr. VANIK in two instances.

Mr. ROGERS.

Mr. KRUEGER.

Mr. GIAIMO in 10 instances.

Mr. DRINAN in 10 instances.

Mr. HOWARD.

Mr. DODD.

Mr. VAN DEERLIN in two instances.

Mr. PATTEN.

Mrs. SPELLMAN.

Mr. MOFFETT in two instances.

Mr. ROSE.

Mr. MCDONALD of Georgia in four instances.

Ms. ABZUG.

Mr. CHARLES H. WILSON of California.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2255. An act for the general revision of the Patent Laws, title 35 of the United States Code, and for other purposes, to the Committee on the Judiciary.

ADJOURNMENT

Mr. WEAVER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 32 minutes p.m.), the House adjourned until tomorrow, Tuesday, March 2, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

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

2647. A letter from the President of the United States, transmitting a request for supplemental appropriations for fiscal year 1976 for the legislative branch (H. Doc. No. 94-387); to the Committee on Appropriations and ordered to be printed.

2648. A letter from the President of the United States, transmitting budget amendments for fiscal year 1976 and the transition quarter to meet the increased costs of the October 1975 Federal pay raise (H. Doc. No. 94-388); to the Committee on Appropriations and ordered to be printed.

2649. A letter from the President of the United States, transmitting notice of his intention to withdraw the designation of Laos as a beneficiary developing country for purposes of the Generalised System of Preferences, pursuant to section 520(a)(2) of the Trade Act of 1974 (H. Doc. No. 94-389); to the Committee on Ways and Means and ordered to be printed.

2650. A letter from the Architect of the Capitol, transmitting the semiannual report of the Architect of the Capitol for the period July 1 through December 31, 1975, pursuant to section 105(b) of Public Law 88-454; to the Committee on Appropriations.

2651. A letter from the Assistant Secretary of Defense (Manpower and Reserve Affairs), transmitting a report covering calendar year 1975 on special pay for duty subject to hostile fire, pursuant to 37 U.S.C. 310(d); to the Committee on Armed Services.

2652. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of construction projects to be undertaken by the Army National Guard, pursuant to 10 U.S.C. 2233a (1); to the Committee on Armed Services.

2653. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to provide for increased participation by the United States in the Asian Development Fund; to the Committee on Banking, Currency and Housing.

2654. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to provide for increased participation by the United States in the International Finance Corporation, and for other purposes; to the Committee on Banking, Currency and Housing.

2655. A letter from the Secretary of Housing and Urban Development, transmitting the second annual report on the HUD coinsurance program, pursuant to the provisions of section 244(f) of the National Housing Act; to the Committee on Banking, Currency and Housing.

2656. A letter from the Secretary of Housing and Urban Development, transmitting the fourth report on implementation of the Emergency Homeowners' Relief Act of 1975, pursuant to section 111 of the act (Public Law 94-50); to the Committee on Banking, Currency and Housing.

2657. A letter from the General Counsel, Department of Housing and Urban Development, transmitting a draft of proposed legislation to amend the U.S. Housing Act of 1937 to increase the amounts of annual contributions which may be provided thereunder with respect to low-income public housing projects, to specify the manner in which annual contributions authority shall be subject to appropriation acts, to revise the definition of income under the low-income public housing program, and for other purposes; to the Committee on Banking, Currency and Housing.

2658. A letter from the Secretary of the Treasury, transmitting the third annual report on the operation and status of the State and Local Government Fiscal Assistance Trust Fund, pursuant to section 105 (a)(2) of Public Law 92-512; to the Committee on Government Operations.

2659. A letter from the Director of Communication, Department of Agriculture, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1975, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2660. A letter from the Executive Officer, U.S. Arms Control and Disarmament Agency transmitting a report on the activities of the Corporation under the Freedom of Information Act during calendar year 1975, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2661. A letter from the General Counsel, Civil Aeronautics Board, transmitting a report on the activities of the Board under the Freedom of Information Act during calendar year 1975, pursuant to 5 U.S.C. 552 (d); to the Committee on Government Operations.

2662. A letter from the Chairman, U.S. Civil Service Commission, transmitting a report on the activities of the Commission under the Freedom of Information Act during calendar year 1975, pursuant to 5 U.S.C. 552 (d); to the Committee on Government Operations.

2663. A letter from the Governor, Farm Credit Administration, transmitting a report on the activities of the Administration under the Freedom of Information Act during calendar year 1975, pursuant to 5 U.S.C. 552 (d); to the Committee on Government Operations.

2664. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting a report on the activities of the Corporation under the Freedom of Information Act during calendar year 1975, pursuant to 5 U.S.C. (d); to the Committee on Government Operations.

2665. A letter from the Executive Director Federal Labor Relations Council, transmitting a report on the activities of the Council under the Freedom of Information Act during calendar year 1975, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2666. A letter from the Chairman, U.S. International Trade Commission, transmitting report on the activities of the Commission under the Freedom of Information Act during calendar year 1975, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2667. A letter from the Secretary, Interstate Commerce Commission, transmitting a report on the activities of the Commission under the Freedom of Information Act during calendar year 1975, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2668. A letter from the Acting Executive Director, National Capital Planning Commission, transmitting a report on the activities of the Commission under the Freedom of Information Act during calendar year 1975, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2669. A letter from the Executive Secretary, Occupational Safety and Health Review Commission, transmitting a report on the activities of the Commission under the Freedom of Information Act during calendar year 1975, pursuant to 5 U.S.C: 552(d); to the Committee on Government Operations.

2670. A letter from the Executive Director Pension Benefit Guaranty Corporation, transmitting a report on the activities of the Corporation under the Freedom of Information Act during calendar year 1975, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2671. A letter from the Chairman, Federal Election Commission, transmitting notice that the Commission will continue not to promulgate certain pending regulations until reconstituted by Congress; to the Committee on House Administration.

2672. A letter from the Secretary of the Interior, transmitting a proposed plan for the use and distribution of the judgement funds awarded to the Yakima Tribes and to the Confederated Tribes of the Colville Reservation in dockets 161, 222, and 224 before the Indian Claims Commission, pursuant to 87 Stat. 466; to the Committee on Interior and Insular Affairs.

2673. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Air Force to offer to sell certain defense articles to NATO, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

2674. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to section 112(b) of Public Law 92-403; to the Committee on International Relations.

2675. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend chapter 23 of title 38, United States Code, to eliminate certain duplications in Federal burial benefits now payable for the same, or similar, purpose; to the Committee on Veterans' Affairs.

2676. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to terminate the authority for the pursuit of flight training programs by veterans and for the pursuit of correspondence training programs by veterans, wives, and widows, and for other purposes; to the Committee on Veterans' Affairs.

2677. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting the 20th annual report on the financial condition and results of the operations of the Highway Trust Fund, pursuant to section 209(e)(1) of the Highway Revenue Act of 1956, as amended (H. Doc. No. 94-390); to the Committee on Ways and Means and ordered to be printed.

2678. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting the fifth annual report on the financial condition and results of the operations of the Airport and Airway Trust Fund, pursuant to section 208(e)(1) of the Airport and Airway Revenue Act of 1970, as amended (H. Doc. No. 94-391); to the Committee on Ways and Means and ordered to be printed.

RECEIVED FROM THE COMPTROLLER GENERAL

2679. A letter from the Comptroller General of the United States, transmitting his review of the deferrals of budget authority and the supplementary reports revising a previously proposed rescission and four previously reported deferrals contained in the message from the President dated February 6, 1976 (H. Doc. No. 94-362), pursuant to subsections 1014(b) and (c) of Public Law 93-344 (H. Doc. No. 94-392); to the Committee on Appropriations and ordered to be printed.

2680. A letter from the Comptroller General of the United States, transmitting the annual report of the U.S. General Accounting Office for fiscal year 1975, pursuant to section 312(a) of the Budget and Accounting Act of 1921 (H. Doc. No. 94-359); to the Committee on Government Operations and ordered to be printed with illustrations.

2681. A letter from the Comptroller General of the United States, transmitting a report on the problems encountered by contractors due to the shortages of processed materials on programs of vital national interest; to the Committee on Government Operations.

2682. A letter from the Comptroller General of the United States, transmitting a report on the financial status of major acquisitions of the U.S. Government which were financed solely with Federal funds as well as those financed jointly with Federal, State, and other funds; jointly, to the Committees on Government Operations, and Armed Services.

2683. A letter from the Comptroller General of the United States, transmitting a report on recommendations to the Secretary of Transportation for improving the licensing of private pilots; jointly, to the Committees on Government Operations, and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

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

[*Pursuant to the order of the House on Feb. 26, 1976, the following report was filed on Feb. 29, 1976*]

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 11124. A bill to amend the Federal Food, Drug, and Cos-

metic Act to provide for the safety and effectiveness of medical devices intended for human use, and for other purposes; with amendment (Rept. No. 94-853). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted March 1, 1976*]

Mr. DIGGS: Committee on International Relations. House Joint Resolution 296. Joint resolution authorizing the President to invite the States of the Union and foreign nations to participate in the International Petroleum Exposition to be held at Tulsa, Okla., from May 16, 1976, through May 22, 1976 (Rept. No. 94-854). Ordered to be printed.

Mr. FOLEY: Committee on Agriculture. S. 1545. An act to amend the Agricultural Adjustment Act of 1938 with respect to peanuts; with amendment (Rept. No. 94-855). Referred to the Committee of the Whole House on the State of the Union.

Mr. SLACK: Committee on Appropriations. House Resolution 1058. Resolution disapproving the deferral of certain budget authority (D76-98) relating to the Department of Justice, Law Enforcement Assistance Administration, Juvenile Justice and Delinquency Prevention program, proposed in the President's special message of January 23, 1976 (H. Doc. 94-342), transmitted under section 1013 of the Impoundment Control Act of 1974 (Rept. No. 94-856). Referred to the Committee of the Whole House on the State of the Union.

Mr. PASSMAN: Committee on Appropriations. H.R. 12203. A bill making appropriations for Foreign Assistance and related programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes (Rept. No. 94-857). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN (for himself, Mr. PATMAN, Mr. CHARLES H. WILSON of California, Mr. NIX, Mr. METCALFE, Mr. EDWARDS of California, Mr. DOMINICK V. DANIELS, Mr. HAWKINS, Mr. MCKINNEY, Mr. HARKIN, Mr. BLANCHARD, Mr. CORNELL, Mr. RICHMOND, Mr. RANGEL, Mr. MILLER of California, Mr. ZEFERETTI, Mr. WON PAT, Mrs. COLLINS of Illinois, Mr. HARRIS, Mr. HARSHA, and Mr. NEAL:

H.R. 12180. A bill to reform residential electric utility rates; to the Committee on Interstate and Foreign Commerce.

By Mr. ASPIN:

H.R. 12181. A bill to amend title 38 of the United States Code in order to extend the delimiting period for completing programs of education for veterans pursuing such programs at the close of such period; to the Committee on Veterans' Affairs.

By Mr. BROOKS (for himself and Mr. POAGE):

H.R. 12182. A bill to amend section 142 of title 28, United States Code, relating to the furnishing of accommodations to judges of the courts of appeals of the United States; to the Committee on the Judiciary.

By Mr. BURLISON of Missouri:

H.R. 12183. A bill to provide that the President, or any other member of the executive branch of the Federal Government, shall limit or prohibit the export of agricultural tools, materials, and machinery as part of any limitation or prohibition of the export of any agricultural commodity; to the Committee on International Relations.

By Mr. COTTER:

H.R. 12184. A bill to require a speedy trial for criminal defendants charged with use of a firearm in the commission of a Federal crime; to the Committee on the Judiciary.

By Mr. D'AMOURS (for himself, Mr. BAUCUS, Mr. PATTISON of New York, and Mr. SOLARZ):

H.R. 12185. A bill to amend title 38 of the United States Code in order to extend the delimiting period for completing programs of education for veterans pursuing such programs at the close of such period; to the Committee on Veterans' Affairs.

By Mr. FORSYTHE (for himself, Mr. MCKINNEY, and Mr. EILBERG):

H.R. 12186. A bill to amend title 37, United States Code, so as to extend from 1 to 3 years the period that a member of the uniformed services has following his retirement to select his home for purposes of travel and transportation allowances under such title, and for other purposes; to the Committee on Armed Services.

By Mr. HARKIN (for himself and Mr. MEZVINSKY):

H.R. 12187. A bill to amend the Internal Revenue Code of 1954 to release the lien for the estate tax on property which is transferred by the executor to a purchaser or holder of a security interest; to the Committee on Ways and Means.

By Mr. HAWKINS (for himself, Mr. QUIE and Mr. PERKINS):

H.R. 12188. A bill to amend the Community Services Act of 1974 to make certain technical and conforming amendments; to the Committee on Education and Labor.

By Mrs. HECKLER of Massachusetts:

H.R. 12189. A bill to amend section 1951, title 18, United States Code, act of July 3, 1946; to the Committee on the Judiciary.

H.R. 12190. A bill to authorize the Secretary of the Treasury to reimburse State and local law enforcement agencies for assistance provided at the request of the U.S. Secret Service; to the Committee on the Judiciary.

By Ms. HOLTZMAN:

H.R. 12191. A bill to prohibit use of Airway and Airport Development Act funds for a public airport at Floyd Bennett Field in the Gateway National Recreation Area; to the Committee on Public Works and Transportation.

By Mr. HUNGATE:

H.R. 12192. A bill to amend the Internal Revenue Code of 1954 to increase the estate tax exemption and to increase the lifetime gift tax exemption; to the Committee on Ways and Means.

By Mr. JONES of Alabama (for himself and Mr. HARSHA):

H.R. 12193. A bill to amend the Federal Water Pollution Control Act to increase the authorization for the National Study Commission; to the Committee on Public Works and Transportation.

By Mr. MCFALL:

H.R. 12194. A bill to establish a task force for the purpose of establishing similar procedures to be used by the Federal Housing Administration and the Farmers Home Administration in appraising and inspecting homes; to the Committee on Banking, Currency and Housing.

By Mr. MADIGAN:

H.R. 12195. A bill to amend the Rural Electrification Act of 1936, as amended, to correct unintended inequities in the determination of interest rates for borrowers from the Rural Electrification Administration and the Rural Telephone Bank, to make other technical amendments, and for other purposes; to the Committee on Agriculture.

By Mr. QUIE:

H.R. 12196. A bill to consolidate the administration of certain programs of financial assistance to States for educational purposes; to the Committee on Education and Labor.

By Mrs. SPELLMAN:

H.R. 12197. A bill to amend the Public Health Service Act to provide health care services for pregnant adolescents before and after childbirth; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS:

H.R. 12198. A bill to amend the Uniform Time Act of 1966 to change the period of observance of daylight saving time; to the Committee on Interstate and Foreign Commerce.

By Mr. THONE:

H.R. 12199. A bill to amend the Internal Revenue Code of 1954 to allow persons covered by certain other retirement plans to establish personal savings for retirement; to the Committee on Ways and Means.

H.R. 12200. A bill to amend the Internal Revenue Code of 1954 to provide for the tax-free rollover of certain amounts distributed from pension plans on account of terminations, partial terminations, and the complete discontinuance of contributions under such plans; to the Committee on Ways and Means.

By Mr. WHALEN:

H.R. 12201. A bill to amend the Small Business Act to provide that determinations by the administration of the reasonable assurance of repayment of prospective loans be made on a case-by-case basis and to clarify the eligibility of small business homebuilding firms for assistance under the Small Business Act; to the Committee on Small Business.

By Mr. PASSMAN:

H.R. 12203. A bill making appropriations for Foreign Assistance and related programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

By Mr. BRADEMAS (for himself, Mr. PERKINS, Mr. BELL, Mr. DENT, Mr. PEYSER, Mr. DOMINICK V. DANIELS, Mr. JEFFORDS, Mr. HAWKINS, Ms. MINK, Mr. MEEDS, Mr. GAYDOS, Ms. CHISHOLM, Mr. BIAGGI, Mr. ANDREWS of North Carolina, Mr. LEHMAN, Mr. BENITEZ, Mr. BLOUIN, Mr. RISENHOOVER, Mr. BEARD of Rhode Island, Mr. ZEFERETTI, Mr. MILLER of California, Mr. MOTTL, Mr. HALL, Mr. PEPPER, and Mr. SARASIN):

H.J. Res. 833. Joint resolution to provide for the designation of the second full calendar week in March 1976 as National Employ the Older Workers Week; to the Committee on Post Office and Civil Service.

By Mr. PRESSLER:

H.J. Res. 834. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons; to the Committee on the Judiciary.

By Mr. ZABLOCKI (for himself, Mr. BINGHAM, Mr. FINDLEY, and Mr. SOLARZ):

H. Con. Res. 570. Concurrent resolution with respect to certain arms control and disarmament negotiations; to the Committee on International Relations.

By Mr. DIGGS:

H. Res. 1059. Resolution providing for funds for the expenses of investigations and studies to be conducted by the Committee on the District of Columbia; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII,

306. The SPEAKER presented a memorial of the Legislature of the State of California, relative to increasing Federal child day care funds; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXIII,

Mr. HEFNER introduced a bill (H.R. 12202) for the relief of Tamas and Julia Oberbauer, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

405. The SPEAKER presented a petition of town board, Attica, N.Y., relative to welfare, which was referred to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 10760

By Mr. HAYES of Indiana:

Page 39, immediately after line 12, insert the following new subsection:

(c) Section 402(d) of the Act (30 U.S.C. 902(d)) is amended by inserting immediately before the period at the end thereof the following: ", including any individual who is or was employed in any aboveground mining operation".

H.R. 11963

By Mrs. MEYNER:

Page 6, line 3, immediately after the semicolon insert "and"; in line 5, strike out "; and" and insert in lieu thereof a period and a closing quotation mark; and strike out lines 6 and 7.

Page 12, beginning in line 4, strike out "to international military training provided under chapter 5 of this part,"; and in line 7, strike out the comma.

Page 13, strike out line 22 and all that follows thereafter through line 24 on page 17.

Page 51, beginning in line 17, strike out "; or education and training under chapter 5,".

EXTENSIONS OF REMARKS

JOHN J. PECORARO: A GREAT UNION LEADER

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. PATTEN. Mr. Speaker, last Friday, John J. Pecoraro, a great union leader, retired from the important post of director, department of legislation, International Brotherhood of Painters and Allied Trades—PAT.

John served in that responsible position with real distinction, but that is no revelation, because he has distinguished himself in everything he has done.

His record of action, leadership, and achievement is not only long, but honorable and remarkable. Part of that amazing—and inspiring—record follows in chronological order:

RECORD OF ACHIEVEMENTS

EDUCATION

1929: Graduated Peter Stuyvesant High School.

1950: Enrolled in Rutgers University Extension Division for courses in Economics and Public Speaking, and course in Labor Relations.

1952: Appointed by Dr. Lewis Webster Jones, President of Rutgers University, as labor member of joint Management-Labor School Committee in connection with Rutgers' participation in Marshall Plan.

UNION EMPLOYMENT EXPERIENCE

1939: First Union Membership.

1940–62: Delegate to National Conventions of Brotherhood of Painters, 1940–1945, 1949, 1953, 1958, 1962.

1945–48: Secretary of Local Union 834.

1945–63: Delegate to Building Trades Dept.

1948–58: Delegate to Central Labor Body.

1948–63: Business Manager of Local Union 834.

1949: Cited by City of New Brunswick when under my direction members of L.U. 834 broke world's record by painting a home in 2 minutes and 23 seconds.

1950–62: Chairman, Middlesex County Council Negotiating Comm.

1951–53: Secretary to State Conference Board of Painters.

1954–63: Chairman and Administrator, Welfare Fund L.U. 834.

1955: Elected to Executive Council of N.J. State Federation of Labor, serving until 1962.

1959–62: Chairman of Middlesex County Council of Painters.

1960–64: Chairman, Garden State Labor Management Comm.

1968–69: Administrator, Manpower Development and Training Act—PAT.

1969: National Co-ordinator Jobs Corps—PAT.

1970–76: Director, Dept. of Legislation—PAT.

1976: National Director—Concerned Seniors for Better Government.

1972: Appointed Labor Advisory Comm. on Industrial Safety—U.S. Dept. of Labor.

1974: Reappointed to Advisory Comm.

CIVIC ACTIVITIES

1948–49: Member Board of Directors, Community Chest.

1949–53: Charter member, and member, Board of Directors, United Fund.

1955–62: Member Board of Directors, Cerebral Palsy, Middlesex County.

1958–62: Member Executive Committee, March of Dimes, Middlesex County.

1959–62: Chairman of March of Dimes Drive each year in South Brunswick.

1963: General Chairman of Cerebral Palsy Drive for Middlesex County.

1957: Founder of the Columbine of Middlesex County, and President to date.

1957: Proclaimed "Man of the Year" by the Columbine.

POLITICAL

1960: Elected Municipal Chairman of the South Brunswick Democratic Party, and reelected in each successive year including 1963.

1960: Delegate to Democratic National Convention, Los Angeles.

1962: Appointed as Secretary to Assistant Majority Leader, New Jersey State Assembly.

1963: Appointed Legislative Aide to Majority Leader, New Jersey State Assembly.

1963: Appointed Confidential Secretary to County Clerk of Middlesex County.

Mr. Speaker, for the past 36 years—since 1940—John Pecoraro has dedicated his life to helping people—especially members of the Painters and Allied Trades. Except for his wife and five children, the union is closest to that warm heart of his—a heart full of compassion and love for people. His fine record shows this.

Since 1970, he has provided dynamic leadership as director of the International Brotherhood's department of legislation—from testifying before House and Senate committees on bills, to speaking all over the country on legislation with rare eloquence. I have heard thousands of speakers during my public career, but John Pecoraro ranks in the top 10 best. He speaks with strong conviction because he cares deeply about people—their needs, their problems, and their hopes.

John Pecoraro has accomplished plenty for his union members—and for his country, yet knows that much more must be done before America can truly be called a nation "with liberty and justice for all." But, like Lincoln, John has "a patient confidence in the ultimate justice of the people."

Mr. Speaker, the greatest union leader of them all, Samuel Gompers, spoke of "the necessity of workers to protect and defend themselves from encroachment, injustice, and wrong—to protect the workers in the inalienable rights to a higher and better life; to protect them, not only as equals before the law, but also in their health, their homes, their firesides, their liberties as men, as workers, and as citizens. The attainment of these is the glorious mission of the trade union," Gompers said in his speech in 1898.

Mr. Speaker, for the past 36 years John J. Pecoraro has been on that "glorious mission," and because of his superb leadership, members of the Painters and Allied Trades have attained that "higher and better life—as workers, and as citizens," envisioned by Samuel Gompers. John, who is a former constituent of mine, has helped convert that dream to reality.

I thank him for his magnificent leadership and congratulate him on being appointed to his new post: national director of the Concerned Seniors for Better Government. John Pecoraro will be 65 on November 13, 1976, and I hope he will live at least 65 more years, for he has enriched the lives of so many members and citizens with his rare and talented mind, heart, and spirit.

TOLLESTON JUNIOR HIGH SCHOOL INDIANA STATE CHAMPIONS

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. MADDEN. Mr. Speaker, the 263-member band of the Tolleston Junior High School of Gary, Ind., was honored at a banquet and mass meeting in the city of Gary on the 3d of February, for having won the Indiana State championship of all high school bands in 1975.

Mayor Richard Gordon Hatcher was the master of ceremonies and principal speaker at the banquet honoring the junior high school organization. Dignitaries as well as band enthusiasts from all over the Calumet Region of northwest Indiana and the student body of Tolleston Junior High School were present for the occasion.

I include with my remarks a resolution which pays tribute to the No. 1 high school musical organization in the State of Indiana:

RESOLUTION No. 1314

A resolution commending the Tolleston Junior High School band and Willie L. Horne, director, for excellence in musical interpretation and performance.

Whereas, The Tolleston Junior High School Band and Willie L. Horne, Director, have won distinction as the only marching Junior High School band in the City of Gary; and

Whereas, The Tolleston Junior High School Band, directed by Willie L. Horne, has won numerous awards in the City, State and Region for its demonstration of musical skills, tone quality, and exhibition of disciplined training; and

Whereas, Such involvement broadens the experiences of young people, strengthens their character, develops pride in the school and its educational program, and gives youth a new form of communication; and

Whereas, The Gary Common Council recognizes excellence and accomplishments of students; and

Whereas, The Gary Common Council pays tribute to an outstanding group of supportive parents who work extremely hard to promote the total band program and show the kind of personal concern junior high school parents so often do not exhibit; and

Whereas, The Gary Common Council commends the dedicated efforts of Willie L. Horne, Tolleston Junior High School Band Director; and

Whereas, The Gary Common Council appreciates community spirit and pride in Gary's institutions; and

Whereas, The Tolleston Coalition of Concerned Citizens is planning a salute to Willie L. Horne, Director, and the Tolleston School Band, February 13, 1976, to show its appreciation for such an outstanding record of accomplishment.

Now therefore, Be it Resolved by the Common Council of the City of Gary, Indiana, that the Council Members and other Public Officials of the City of Gary, on behalf of the citizens of Gary, Indiana, do hereby publicly pay tribute to the Tolleston Junior High School Band and Willie L. Horne, Director, for excellence in musical interpretation and performance.

Section 1. This resolution shall be in full force and effect from and after the date of passage.

Adopted by the Common Council of the City of Gary, Indiana, this 3rd day of February, 1976.

ILLEGAL ALIENS: RESTRICTING EMPLOYMENT IS ONLY PARTIAL SOLUTION

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. ROSENTHAL. Mr. Speaker, the Supreme Court yesterday held in Decanas against Bica that a State can constitutionally prohibit the employment of illegal aliens. The Court concluded that California has a strong interest in protecting its residents' jobs. The unanimous decision written by Justice Brennan noted:

Employment of illegal aliens in time of high unemployment deprives citizens and legally admitted aliens of jobs; acceptance by illegal aliens of jobs on sub-standard terms as to wages and working conditions can seriously depress wage scales and working conditions of citizens and legally admitted aliens; and employment of illegal aliens under such conditions can diminish the effectiveness of labor unions. These local problems are particularly acute in California in light of the significant influx into that State of illegal aliens from neighboring Mexico.

These views of the illegal alien problem are shared by most observers including residents of the Eighth Congressional District in Queens, N.Y., which I have the honor to represent. A task force composed of a representative group of residents recently reported that the "combination of a soaring unemployment rate among citizens and the shrinkage of municipal and State resources has made it essential that Federal policies and practices in this area be totally reevaluated."

The task force had favorable words to say about the outlawing of the employment of illegal aliens. It found, however, that a complete solution to the problem requires a fundamental reorganization of the Federal agencies which enforce the immigration laws. The task force concluded that present enforcement efforts are seriously impeded by the contradictory, outdated and inconsistent policies, procedures and perspectives of Justice's Immigration and Naturalization Service, and State's Visa Office. The citizens group recommended that a separate, independent agency be established to lodge in one body the full responsibility for overseeing aliens.

In October, I introduced H.R. 10182, legislation to establish the Visa and Naturalization Administration. This bill has received bipartisan support in the House and favorable attention from public interest groups. It will be reintroduced this Wednesday with the following additional sponsors: Representatives DINGELL, GILMAN, SCHEUER, DELLUMS, YATRON, KOCH, JOHN BURTON, and MCCORMACK.

I invite any colleague who has any questions or is interested in becoming a sponsor to call Gail Armstrong (52601).

VOICE OF DEMOCRACY CONTEST, VERMONT WINNER

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. JEFFORDS. Mr. Speaker, I have recently read a copy of the speech which won the Vermont State competition for the Voice of Democracy Contest sponsored by the Veterans of Foreign Wars and its Ladies Auxiliary.

The speech was made by Freeman W. Dodge, a 17-year-old resident of Tunbridge, Vt. Capturing the Bicentennial spirit, Mr. Dodge has expressed very articulately the responsibilities of Americans today, in relation to the accomplishments of our ancestors.

Mr. Speaker, anticipating that Mr. Dodge's comments will be of interest to my colleagues, I insert them in the RECORD at this time:

1975–76 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM, VERMONT WINNER

When George Washington, Benjamin Franklin, John Adams and others decided the colonies of England here in America should become free and independent, they were not merely thinking of themselves and their generation but, also, all future generations.

Our founding fathers realized that their native lands, mainly England, had many faults. These men were independents, pioneers of new thoughts in a new land.

England was unjust in laws concerning religion and was very unfair in its control over the colonies. Britain had passed many laws on which we had no say, as we were not allowed a representative in Parliament. The cry arose, "No taxation without representation." At this point men who became America's founders had to make a decision.

This, I believe, is where our bicentennial heritage begins. They realized that colonies under England had neither true democracy nor representative democracy. These men battled constantly with their conscience. Was it right to discard their heritage in England and start anew? In the end they followed their democratic and religious instincts. They wanted government of the people. They felt that everyone should have a right to choose his own religion.

A new nation had to be formed.

Men, such as Patrick Henry, Benjamin Franklin and Thomas Jefferson, whom we think of today as statesmen, were actually revolutionaries of their time. They differed greatly from our "revolutionaries" of today, however. These early men had one common cause and were willing to and did devote most of their lives to the cause of American freedom. They did not waste time proclaiming their innocence for acts committed nor bargaining for lesser sentences in prisons or even their lives. It was quite clear they had but one goal.

In Patrick Henry's famous words "But as for me give me liberty or give me death" and Nathan Hale's "I regret that I have but one life to give for my country", find the thirst for independence that defied any fear of death itself. That was devotion to a cause. Few persons, today, would demonstrate such devotion. Henry and Hale spoke the thoughts of many, including Ethan Allen and our own Green Mountain Boys who left their farms and families to fight for the independence of this new nation.

As the bicentennial approaches, I am aware of my personal responsibility to further the ideals of these forefathers. One cannot look at 200 years of progress in human freedom without expressing amazement, pride and respect. One is compelled to assume his fair share of responsibility in the future.

One responsibility is to be conscious of and active in all current affairs.

Locally in the grass roots, lies the first and greatest opportunity to be alert and active. If I do not discharge my responsibilities at home, in my town and in my state, I will hardly be prepared to serve my nation in other ways.

I have a responsibility to be knowledgeable about all current state issues and to make my opinions known to my district representatives.

National government is what it's all about. If our views on National and international affairs are not expressed, our government cannot deal democratically with our nation's problems. The people, as well as Congressional representatives, must be alert to changing times so as to act promptly and effectively. Further, how can other nations deal with one another without knowing the true opinions of the people? As one of the people, I should continually analyze current problems and make my opinions known.

There are many forms of loyalty to a nation. I should support my country in any way possible, when I believe our policies are correct. If I believe our nation's policies are wrong, I should give constructive criticism whenever possible.

Both forms of loyalty should be practiced

from local levels of government through national government.

Our founding fathers had a responsibility to the future. Our bicentennial heritage means our responsibilities to the past and to the future.

Our founding fathers made a monumented decision 200 years ago. They chose to open a new nation based on the strength of individual freedom in a collective democracy. That decision means today that I must strive to preserve their ideals through my individual willingness to act for the common cause.

KATHRYN ANNE GATES WINS MARYLAND VFW VOICE OF DEMOCRACY CONTEST

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. BAUMAN. Mr. Speaker, the Veterans of Foreign Wars of the United States and its Ladies Auxiliary annually sponsor a highly competitive contest as part of its Voice or Democracy program. Five hundred thousand secondary school students from across the country compete for five scholarship prizes. This year, as part of the VFW's Bicentennial celebration, students wrote and delivered speeches on the theme "What Our Bicentennial Heritage Means to Me."

It is with more than regional pride that I call to your attention my State's winning contestant, Kathryn Anne Gates of Chesapeake Beach, Md. The 17-year-old daughter of Lt. Col. Edward and Mrs. Joan Gates has made her mark in music, drama and many other pursuits. However, by her ability to demonstrate in words what all Americans feel but cannot always articulate, she is extraordinary for her age. She is living proof of the fact that America is alive and well in the hearts and minds of many young people today.

I invite each of you to reflect on what this wise and patriotic young lady has to say to us, Mr. Speaker, I include her prize-winning speech in the RECORD:

WHAT OUR BICENTENNIAL HERITAGE MEANS TO ME

(By Kathryn Anne Gates)

"These are the times that try men's souls." Today, 200 years after these inspired words were written, they are just as relevant as they were when Thomas Paine first put them on parchment. The United States has gone through trial after trial, test after test, and has remained unbeatable! The American spirit is such that even when faced with insurmountable odds, it triumphs. This is what our Bicentennial Heritage means to me.

During the 17th century, people came from many backgrounds and lifestyles to settle in North America. These men and women established the foundation for our nation in that wilderness. For 150 years these people struggled. Some turned back, some grumbled and complained, but many more enjoyed what they had and made the best of their situation. These people had acquired a strong optimistic view of life. This is what gave them the strength to overcome the never-ending problems that confronted them. And this optimism has been handed down for 350 years.

How could a relatively small group of untrained colonial minutemen win the War of Independence against thousands of regimented British soldiers? How did it happen that just when all seemed lost, a leader like George Washington, or Abraham Lincoln, or Franklin D. Roosevelt stepped up and led the American people to victory? How could a few rebellious colonies in the wilderness become one of the world's major powers? The American spirit made all of these impossible dreams realities.

Today, as we celebrate our nation's bicentennial, there are, as ever, problems to be overcome. Inflation is at a peak, fuel supplies are limited, and unemployment rates are climbing, but this is AMERICA! The people of this country will not, after 200 years, dismiss their birthright, their heritage, simply because conditions have developed that require effort and cooperation to resolve. Americans will acknowledge these difficulties, and careful planning and execution will conquer them.

As a teenager in America today, I understand the difficulties my country is facing, but I have great faith in my people. I know that a hundred years from now, my children's children will live in an America where justice and equality still prevail! I, too, will contribute my time and talents to furthering America's ideals and spirit. In this way, I will give of myself so that future generations of Americans may know the same kind of national pride and optimism that I do.

Yes, these times will try men's souls, but all great things must be fought for continually! With 200 years as a nation behind us and all eternity before us, every American should feel the optimism and energetic spirit that is our national heritage. I am an American and, in this Bicentennial year, I can say with no reservations that my heritage is the greatest on earth!

TERROR BOMBINGS DOUBLE YEARLY SINCE 1973

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. McDONALD of Georgia. Mr. Speaker, it has recently become almost a commonplace for Federal and local law enforcement officials to warn of potential terrorist attacks during the Bicentennial celebrations, although as long ago as last summer I published documentary evidence that terrorist and pro-terrorist support groups were planning violent actions to disrupt the Bicentennial.

Now, the Federal Bureau of Investigation has released figures showing that the number of terrorist bombings have doubled each year since 1973. According to the FBI, there were 24 bombings attributable to terrorist activity in 1973, 45 terrorist bombings in 1974, and a shocking 89 terrorist blasts in 1975. Six persons were killed in the bombings and 76 persons were injured. If this trend is not checked, America is in for a Bicentennial of terror.

In reviewing my bombing files, my only criticism of the FBI's report is that it tends to err on the side of caution. For example, the victims of the La Guardia Airport bombing are clearly not included although that explosion is widely believed to have been committed by Palestinian Arab terrorists, although no communique was issued. Only those explosions clearly claimed by a terrorist group were included.

The FBI Police Bulletin, volume IV, No. 1, also contains an excellent brief summary of the currently active terrorist organizations which, since the House Committee on Internal Security has been abolished and the chairman of the Judiciary Committee has refused to assign staff and funds for an internal security subcommittee, my colleagues who are concerned about the threat of terrorism will find useful:

YEAR-END SUMMARY

TRENDS

Bombings were the primary terrorist tactic in this country last year. There were 89 bombings attributable to terrorist activity in 1975, as compared with 45 in 1974 and 24 in 1973.

Six persons died in terrorist-claimed bombings in 1975 and 76 persons were injured. Five other deaths were reported in other types of terrorist incidents. Monetary damage reported in terrorists bombings exceeded 2.7 million dollars.

The New World Liberation Front, a revolutionary group operating primarily in California, claimed 19 bombings in 1975, primarily targeted against a public utility. The Armed Forces of Puerto Rican Liberation (FALN) claimed 18 bombings, targeted against Government and corporate targets, especially banks, in New York City, Chicago, and Washington, D.C.

FALN

The Armed Forces of Puerto Rican Liberation, or FALN, took credit for the most serious terrorist bombing reported in 1975: the explosion which claimed four lives on January 24 at the Fraunces Tavern in New York City. The group claimed a total of 18 bombings and one attempted bombing in 1975.

The capabilities of the FALN were also illustrated by the simultaneously coordinated attacks against "Yanki government and monopoly capitalist institutions" in New York, Chicago, and Washington, D.C., on October 27, 1975, the "first anniversary of our existence as an organization" in the words of the FALN communique issued in connection with these bombings. (The group's first claimed bombings—against five corporate and banking targets—took place October 26, 1974.)

Half of the FALN-claimed bombings took place in New York in 1975, and half were directed against banks. Weekends or Mondays before business hours were the time of three-fourths of FALN bombings. The group has demanded independence for Puerto Rico and freedom for five Puerto Rican "political prisoners," nationalists convicted of attacks on President Truman and the U.S. House of Representatives in the 1950's.

NEW WORLD LIBERATION FRONT

The New World Liberation Front (NWLF) claimed 19 bombings and one attempted bombing in 1975; all but one of these took place in California. A primary target of this group has been the property of the Pacific Gas and Electric Company. The NWLF has not shown any time pattern in their attacks, but has consistently carried out actions almost every month of the past year.

While previous NWLF actions have attacked targets connected with international issues, i.e., hotels leased by a multinational corporation in protest of alleged corporate actions abroad, recent attacks have focused on local issues. Besides demanding cuts in local utility rates for individuals, as opposed to businesses, recent communiques have concerned "poor people's health" and actions of San Francisco city government. Credit has been taken in NWLF communiques for four recent automobile bombings in San Francisco, aimed at police.

WEATHER UNDERGROUND

This self-described "guerrilla organization" of "communist women and men, underground in the United States" claimed three bombings, and one attempt, in 1975. The first Weather Underground (WU) bombing, on January 29, was against the State Department in Washington, D.C. At the same time, another WU-claimed bomb failed to go off at a Department of Defense facility in Oakland, California.

On June 16, the group claimed the bombing of a New York City bank and on September 5, a bombing that caused $150,000 damage at the Kennecott Copper Building in Salt Lake City was claimed by the WU. This bomb had been placed in a ladies' room; the State Department bomb had also been placed in a wall with access from a ladies' room.

WU published four issues of its newletter, *Osawatomie*, in 1975, and its aboveground support arm, Prairie Fire Organizing Committee, also issued a publication, *Groundswell*. The group demanded: "Stop U.S. aid to the junta in Chile" in the communique claiming the Salt Lake City bombing and each issue of *Osawatomie* has said of the Bicentennial: "The rulers have set the time for the party; let us bring the fireworks."

OTHER GROUPS

Four other revolutionary-type groups claimed significant bombing activities in 1975. Safeway grocery stores have been the targets of two groups. The George Jackson Brigade claimed four bombings in Washington State, half against Safeway. The Emiliano Zapata Unit (EZU) took credit for three Safeway bombings (and one Bank of America bombing) in the San Francisco area since the end of October, 1975. One EZU communique spoke of children suffering from malnutrition and threatened: "We will kill to protect our children."

The Red Guerrilla Family claimed three bombings in California in March, April, and July, targeting Government in two cases. In Denver, Colorado, the Continental Revolutionary Army (CRA) took credit for four bombings in 1975 against primarily Government targets. The last CRA communique attacked U.S. activities aboad—in Panama, Chile, Cuba, Puerto Rico, and North Vietnam.

Black Liberation Army (BLA) activity in 1975 was limited to four escape attempts. A major portion of the group is incarcerated for the numerous attacks on police and bank robberies that have been linked to the BLA since 1971. One of these jailbreak attempts, on May 25 in New York City, resulted in the death of a BLA member when his bed-sheet rope broke during a ten-story descent to the ground.

INDIAN MILITANTS

Indian occupants of two vehicles were arrested November 14, 1975, by Oregon State Police at Ontario, Oregon, after an exchange of gunfire with an officer. It was later determined that Leonard Peltier, charged with the June 26, 1975, murder of two FBI Agents, had been involved in this incident and had escaped. Peltier was later arrested in Canada.

Timing devices and other bomb components were found in the two vehicles, along with nine high-powered rifles, some with serial numbers obliterated, two police-type shotguns, and three heavy caliber pistols. Seven fifty-pound cases of dynamite were seized and there were indications the individuals involved were interested in Bicentennial activities.

American Indian Movement (AIM) leader Dennis Banks has said, on December 16, 1974, in a Sacramento, California, television interview, that a goal of AIM is to "stop the Bicentennial celebration." Another AIM leader Vernon Bellecourt, said in a March 15, 1973, speech at Berkeley, California, that "by 1976, the 200th anniversary of the founding of the U.S., AIM will be powerful enough to blow out the candles on the birthday cake."

CONGRESSMAN WYDLER MAKES SPECIAL REPORT TO OLDER AMERICANS IN THE FIFTH CONGRESSIONAL DISTRICT—WYDLER CONTINUES SENIOR CITIZEN INTERN PROGRAM

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. WYDLER. Mr. Speaker, for the third consecutive year, I will again sponsor my senior citizen intern program for older Americans in the "Fabulous Fifth Congressional District."

This year's program will be held from May 3 through May 14 in Washington, D.C., and is designed to provide two senior citizen representatives from within the district to personally study pending legislation of interest to the elderly and learn more about Federal programs and policies affecting all senior citizens.

Anyone 65 years of age or older who lives in the "Fabulous Fifth District" is eligible. As in the past 2 years, interns should be nominated in a letter from an organized senior citizen club or community organization. The letter should provide the name, address and telephone number of the individual and state his or her qualifications and background. This nomination should be submitted to my district office at 150 Old Country Road, Mineola, N.Y. 11501, no later than April 12, 1976.

Selections will be made by a panel of judges representing the Fifth Congressional District and Nassau County older American organizations.

During their 2-week stay in Washington, each intern will receive compensation in the amount of $200 to cover the cost of food and lodging. Also, each will be provided with round-trip air transportation to Washington, D.C.

INCOME TAX OVERPAYMENT PROTECTION FOR OLDER AMERICANS

In an effort to assist all "Fabulous Fifth Congressional District" older Americans with their income tax returns, I have included in this report a special checklist of itemized deductions and tax relief measures for individual taxpayers which has been developed by Congress.

The checklist, covering everything from pertinent and helpful information on medical and dental expenses, insurance premiums, and retirement income credit should be of immense help in better understanding our tax law and tax form. It will also serve as a safeguard for taxpayers who may not be completely current in tax relief provisions.

The handy checklist can also be used by individuals to determine whether it would be advantageous to compute their tax return on an itemized deduction basis or on the basis of tax tables.

Older American taxpayers who discover that they have overpaid their taxes in previous years have recourse in that they may file an amended return—form 1040X, to claim deductions initially overlooked. The form must be filed within 3 years after the original return was due or filed, or within 2 years after the tax was paid, whichever is later:

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3% of a taxpayer's adjusted gross income (line 15, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3% limitation for other medical expenses. The remainder of these premiums can be deducted, but is subjected to the 3% rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3% rule) but only to extent exceeding 1% of adjusted gross income (line 15, Form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expense (subject to 3% limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artificial limbs and teeth.
Back supports (prescribed by a doctor).
Braces.
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. Taxpayer should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practitioner, authorized.
Convalescent home (for medical treatment only).
Crutches.
Dental services (e.g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home Health Services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lip reading lessons (designed to overcome a handicap).
Neurologist.
Nursing services (for medical care, including nurse's board paid by you).
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physician.
Physical therapist.
Podiatrist.
Psychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt (presented by a doctor).
Seeing-eye dog and maintenance.
Speech therapist.

Splints.

Supplementary medical insurance (Part B) under Medicare.

Surgeon.

Telephone/teletype special communications equipment for the deaf.

Transportation expenses for medical purposes (7¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.).

Vaccines.

Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).

Wheelchairs.

Whirlpool baths for medical purposes.

X-rays.

TAXES

Real estate.

State and local gasoline.

General sales.

State and local income.

Personal property.

If sales tax tables are used in arriving at your deduction, you may add to the amount shown in the tax tables only the sales tax paid on the purchase of five classes of items: automobiles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pension or compensation payments, Railroad Retirement annuities, women's compensation, untaxed portion of long-term capital gains, recovery of costs, dividends exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

CHILD AND DISABLED DEPENDENT CARE EXPENSES

A taxpayer who maintains a household may claim a deduction for employment-related expenses incurred in obtaining care for a (1) dependent who is under 15, (2) physically or mentally disabled dependent, or (3) disabled spouse. The maximum allowable deduction is $400 a month ($4,800 a year). As a general rule, employment-related expenses are deductible only if incurred for services for a qualifying individual in the taxpayer's household. However, an exception exists for child care expenses (as distinguished from a disabled dependent or a disabled spouse). In this case, expenses outside the household (e.g., day care expenditures) are deductible, but the maximum deduction is $200 per month for one child, $300 per month for two children, and $400 per month for three or more children.

When a taxpayer's adjusted gross income (line 15, Form 1040) exceeds $18,000, the deduction is reduced by $1 for each $2 of income above this amount. For further information about child and dependent care deductions, see Publication 503, Child Care and Disabled Dependent Care, available free at Internal Revenue offices.

Other tax relief measures for older Americans

(Required to file a tax return if gross income is at least)

Filing status:	
Single (under age 65)	$2,350
Single (age 65 or older)	3,100
Qualifying widow(er) under 65 with dependent child	2,650
Qualifying widow(er) 65 or older with dependent child	3,400
Married couple (both spouses under 65) filing jointly	3,400
Married couple (1 spouse 65 years or older) filing jointly	4,150
Married couple (both spouses 65 or older) filing jointly	4,900
Married filing separately	750

Additional Personal Exemption for Age.—Besides the regular $750 exemption allowed a taxpayer, a husband and wife who are 65 or older on the last day of the taxable year are each entitled to an additional exemption of $750 because of age.

You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1976, you will be entitled to the additional $750 personal exemption because of age for your 1975 Federal income tax return.

Tax Credit for Personal Exemptions.—In addition to the $750 personal exemption, a tax credit of $30 is available for a taxpayer, spouse, and each dependent. No additional $30 credit is available, however, because of age or blindness.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met. (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10% of the mutual dependent's support, *but only one of them*, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence by Elderly Taxpayers.—A taxpayer may elect to exclude from gross income part, or under certain circumstances, all of the gain from the sale of his personal residence, provided:

1. He was 65 or older before the date of the sale, and

2. He owned and occupied the property as his personal residence for a period totaling at least 5 years within the 8-year period ending on the date of the sale.

Taxpayers meeting these two requirements may elect to exclude the entire gain from gross income if the adjusted sales price of their residence is $20,000 or less. (This election can only be made once during a taxpayer's lifetime.) If the adjusted sales price exceeds $20,000, an election may be made to exclude part of the gain based on a ratio of $20,000 over the adjusted sales price of the residence. Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded by an elderly taxpayer when he sells his home.

Additionally, a taxpayer may elect to defer reporting the gain on the sale of his personal residence if within 18 months before or 18 months after the sale he buys and occupies another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence or (2) you were on active duty in the U.S. Armed Forces. Publication 523 (Tax Information on Selling Your Home) may also be helpful.

Retirement Income Credit.—To qualify for the retirement income credit, you must (a) be a U.S. citizen or resident, (b) have received earned income in excess of $600 in each of any 10 calendar years before 1975, and (c) have certain types of qualifying "retirement income." Five types of income—pensions, annuities, interest, and dividends included on line 15, Form 1040, and gross rents from Schedule E, Part II, column (b)—qualify for the retirement income credit.

The credit is 15% of the lesser of:

1. A taxpayer's qualifying retirement income, or

2. $1,524 ($2,286 for a joint return where both taxpayers are 65 or older) minus the total of nontaxable pensions (such as Social Security benefits or Railroad Retirement annuities) and earned income (depending upon the taxpayers age and the amount of any earnings he may have).

If the taxpayer is under 62, the $1,524 figure is reduced by the amount of earned income in excess of $900. For persons at least 62 years old but less than 72, this amount is reduced by one-half of the earned income in excess of $1,200 up to $1,700, plus the total amount over $1,700. Persons 72 and over are not subject to the earned income limitation.

Schedule R is used for taxpayers who claim the retirement income credit.

The Internal Revenue Service will also compute the retirement income credit for a taxpayer if he has requested that IRS compute his tax, he answers the questions for columns A and B, and he completes lines 2 and 5 on Schedule R—relating to the amount of his Social Security benefits, Railroad Retirement annuities, earned income, and qualifying retirement income (pensions, annuities, interest, dividends, and rents). The taxpayer should also write "RIC" on line 17, Form 1040.

SUPPLEMENTAL SECURITY PROGRAM AIDS SENIORS

Another Federal program, Supplemental Security Income—SSI—is designed to help needy older Americans and provides monthly Federal checks to persons who are 65 years of age or older, are blind, or disabled.

In 1974, the supplemental security income program took the place of the former Federal-State assistance programs for aged, blind, and disabled persons. Its basic concept is to assure that everybody who is 65 or older, or blind, or disabled, has a regular cash income every month. Those who do not have enough income from other sources, such as private pensions or social security checks, can get SSI checks as a supplement. Even with the payments, a person can own a home or car of reasonable value, have some savings and earnings from work.

During the calendar year 1975, $694,370,000 in SSI benefits were funneled into the State of New York. Nassau County received $20,831,000 for the aged, blind, or disabled.

SSI checks can be as much as $157.70 for an individual or $236.60 for a couple. Matching these payments in State funds could be as much as $61 for an individual living independently and $76 for a couple. All benefits are dependent on the individual situation of the applicant and are computed accordingly. Persons eligible for SSI payments may also qualify for medicaid, which pays health care expenses.

Individuals who are not currently receiving SSI benefits and believe they may be eligible should contact their nearest Social Security Administration office. Two offices are conveniently available in our immediate area: 59 North Main Street, Freeport, N.Y. 11520 and One Station Plaza North, Mineola, N.Y. 11501.

As your Congressman I will also be happy to assist you in any way that I can. You can write me at my district office, 150 Old Country Road, Mineola, N.Y. 11501, or my Washington office, House of Representatives, Washington, D.C. 20515.

ELIGIBILITY FOR EARNED INCOME CREDIT

Older Americans in the Fifth Congressional District should be aware of the

special payment or credit available under the recently enacted Tax Reduction Act of 1975.

This payment, called the earned income credit, is available to persons with total incomes of less than $8,000 during 1975 and the payment can amount up to $400. Total income includes earned income from salaries, wages, tips or other employee compensation, and self-employment earnings.

For individuals with incomes up to $4,000, the refundable credit is 10 percent of their earned income only, to a maximum of $400. Qualified workers with incomes between $4,000 and $8,000 also are entitled to the credit, but the amount of the payment decreases $1 for every $10 of earned income or adjusted gross income over $4,000. No credit is allowable for those with incomes of $8,000 or more.

In addition to the income requirement, taxpayers must have maintained a home in the United States for the entire year for themselves and at least one dependent child who was under 19 years of age or a full-time student.

Additional information on this program can be found in the 1975 Federal tax package, mailed to all taxpayers. Other individuals should contact the Internal Revenue Service for a copy of free publication 596, entitled "Tax Benefit for Low-Income Individuals." In Nassau County, the telephone number is 248-3620.

HEALTH CARE COSTS AND THEIR CONTAINMENT

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. WIRTH. Mr. Speaker, the cost of health care is rising at almost 1½ times the rate for other goods and services in our economy. Various explanations for this phenomenon have been offered. Some experts say that the medical establishment is too dependent on hospital-based care—a type of care which has been encouraged by Federal programs such as medicare and medicaid and the Hill-Burton construction bills. Others suggest that the breakthroughs in medical technology, which enhance doctors' capabilities to sustain life, are too costly and are draining resources from other sectors of the medical services system. Clearly a drastic reevaluation and restructuring of our approach to providing health care is needed.

The materials inserted below present two analyses of the problem of containing health care costs: In an article that appeared in the Denver Post on January 18, 1976, Dr. Henry Foley, executive director of Colorado's Department of Social Services, and his associate, Mr. Michael Shonbrun, explore how the structure of our medical care system contributes to increased costs; and Dr. Kenneth Platt, director of the Colorado Foundation for Medical Care, testifies before the House Commerce Committee's Health Subcommittee about how physicians are getting control of medical care prices through the establishment of PSRO's.

I believe these discussions will be useful to my colleagues and to members of the public who are deeply concerned about this issue.

The articles follow:

[From the Denver Post, Jan. 18, 1976]

A PLAN TO CONTROL HIGH HOSPITAL COSTS

(By Henry A. Foley and Michael Schonbrun)

Americans paid a health bill of $118.4 billion in the last fiscal year.

This year the Medicare-Medicaid portion of that bill will grow to $25 billion. Next year the Medicaid budget will have increased $5.4 billion and addtional annual increases are expected to result in a $52 billion Medicare-Medicaid bill in fiscal year 1981.

Since 1970, public and private health expenditures have increased 43 per cent. Government figures reveal that the rate of inflation in hospital costs is approaching 16 per cent. This rate is greater than that for any of the other major components in the health index: physician fees, dental fees, or drug charges.

A recent survey shows that more than half of the country's Blue Cross and Blue Shield plans lost money in the first six months of 1975 and that private insurors are seeking premium increases ranging from 10 to 60 per cent to cover the increasing costs of claims.

The purpose of reciting this rather depressing litany of statistics is to make the point that the regulation of health costs—whether imposed by private or public agencies, is going to become an issue of increasing national concern in the late 1970s—whether or not a national health insurance program is adopted.

There are several causes for this rampant inflation in the health care field, especially in hospital costs, and they are inherent in the way the present medical care system is organized and financed. The problem is structural, not conspiratorial.

First, hospital cost overruns are not penalized by the reimbursement system utilized for 77 of Colorado's 85 hospitals. High costs are generated by unnecessary duplication of services and a surplus of hospital beds. Underutilization of facilities is not only costly, but also results in a low quality of patient care.

Consumers frequently lack the opportunity and the information to judge the prices and quality of health services and the incentive to shop around because they believe it will be their insurance (not "their own money") which will pay the charges.

The reimbursement system for hospitals in Colorado is based on "reasonable costs" paid retrospectively. It is an open-ended system with no ceiling or constraints. As administered in Colorado and elsewhere in the country, "reasonable costs" have been largely whatever the hospital has claimed.

Second, studies conducted by governmental and private health planners of bed capacity and community need have all consistently found that metropolitan Denver is "overbedded." Their estimates for metropolitan Denver in 1975 range from 420 to 872 unnecessary hospital beds, beds which, after accounting for reasonable fluctuation in utilization, are not necessary to meet the needs of the community. Because of the high proportion of fixed costs for hospitals—salaries of full-time, highly trained personnel required for patient-support services and day-to-day operations (nurses, pharmacists, lab techs, administrators, comptrollers), wages for maintenance personnel, financing costs accompanying the purchase of new medical equipment and the construction of new facilities—the cost of maintaining an empty hospital bed has been reasonable estimated at from 50 to 75 per cent of the cost of maintaining an occupied bed. In Denver, the cost of an unoccupied bed has been conservatively estimated at $30,000 per year.

If the range of estimates regarding the extent of "overbeddedness" is accurate (there appears to be no countervailing evidence), the annual cost to Colorado health consumers is between $12.6 and $22.6 million. Coincidentally, the latter estimate of $22.6 million in unnecessary costs is nearly equivalent to the total costs of providing in-patient hospital care for all Medicaid beneficiaries in the state.

Third, informed consumer decisionmaking, one of the basic reasons why the free market system has been so successful in this country, is essentially absent from the health marketplace. The decision to enter a hospital, to have a certain medication prescribed, or to have specific medical procedures performed, are choices which are not made primarily by the patient.

In addition, when the health of a loved one is at stake, usual patterns of consumer behavior regarding the purchase of an expensive good or service evaporate—time considerations and the opinions of experts then become of paramount importance. The desire to shop around for the best price or to look for an item of equivalent quality but at a lower cost is not a major force in the health marketplace.

Fourth, the pervasiveness of health insurance in the United States (recent surveys indicate approximately between 70 and 80 per cent of Americans have some form of health insurance) also undercuts the usual economic considerations regarding the purchase of goods and services. When the possible need for health care services is raised, the typical consumer question—"is this particular good or service worth the cost to me?"—is replaced by the response made by the patient (or by the health provider prescribing the health service)—"the monthly insurance premiums are being paid regardless of my utilization of health services. I may as well get my money's worth."

This common but fallacious assumption that insurance premium levels are unaffected by claims made or actual utilization levels shields the consumers or providers acting on the behalf of patients (as is the more usual case in the health field) from recognizing the future cost implications of their actions.

Hospital rates in Colorado are among the highest in the western United States and are reportedly close to the highest in the Rocky Mountain area.

This phenomenon of rising health insurance premiums for working citizens and increasing Medicaid-Medicare budgets for the aged and poor will continue into the foreseeable future unless there is appropriate intervention.

Given the failure of the health marketplace to selfregulate health care costs, there is a need for pervasive and extensive cost and rate controls in the medical care sector of the economy.

But with the abolishment of the federal Economic Stabilization Program in 1974 and President Ford's averison to regulations, there is a notable lack of federal response to this national problem. As a consequence, the responsibility to address the issues of spiraling health costs is left to the states. Perhaps this situation is for the best—for if Colorado can control costs, it may prevent massive federal intervention in the health care sector at a future date.

The solution to hospital inflation does not lie in a single approach but several recent research efforts sponsored by HEW and the Social Security Administration indicate that altering the mode of reimbursement from a retrospective to a prospective basis can produce considerable cost savings with no adverse affect evident on hospital quality of care.

Unlike the retrospective system, a prospective payment approach provides the hospital

with a fixed budget over a fixed time period. The hospital must live within its means and, barring a catastrophe affecting hospital utilization or costs will be forced to "eat" any deficits which might arise. Under a true prospective system, there are few cost overruns.

The key issue in a prospective payment system is *how* the rates are set. Should these rates be set improperly, hospitals may continue to act in an inflationary mode or, alternately, may be forced into making drastic cuts which will adversely affect patient care.

Prospective rates may be set either by public agency or private organization. Publicly administered programs operate in New York, Maryland, Connecticut, and Massachusetts. Operational private programs exist in Indiana, Ohio, Pennsylvania and Wisconsin.

Evidence from other states has been compiled within the last two years showing the cost containment impact of this new reimbursement system. For example, Blue Cross of Western Pennsylvania asserts that $800,000 was saved in one year for the five hospitals participating in its pilot program. The rate of inflation among all hospitals in the State of New York has reportedly slowed from 19.1 per cent to 10.2 per cent to 6.2 per cent over the last three years. Wisconsin, Rhode Island and Connecticut all report similar savings.

The protection of the citizenry's health has traditionally been within the recognized police powers of the state—the same powers which authorize government to provide police and fire protection.

The continued escalating costs of health care threaten the ability of Colorado's citizens to afford necessary health care services.

Clearly, the private sector in health—the hospitals, nursing homes, physicians, dentists and other independent health providers—has a critical role in addressing this issue of rising costs. But the basic responsibility, the requisite legal authority, and the necessary impartiality to judge among competing claims for the health dollar make it clear that this area is particularly well-suited for public, not private decision-making.

Perhaps this perception might be different if Colorado Blue Cross were having more success with its prospective payment pilot program (a program involving eight hospitals that was mandated by the Colorado legislature 2½ years ago). However, in recent hearings conducted by the State Insurance Commissioner, Blue Cross spokesmen reported they still do not know if the program has been successful. Given that Blue Cross plans and participating member hospitals in other parts of the country have been running successful prospective payment programs without any government involvement which have lowered hospital costs in their areas, it appears that the Colorado Blue Cross plan and/or the involved Colorado hospitals are unable or unwilling to regulate themselves to control hospital cost inflation.

At any rate, there are several excellent reasons for state involvement in over-all hospital budgeting.

(1) The prominence of health and hospital care costs in the family budget—and the importance of good health as a basic need of all citizens—strongly suggests that action should be taken by the state to provide protections which individual citizens cannot achieve acting on their own.

(2) Hospital care by its very nature is not part of a freely competitive and effective marketplace, and hospitals are partially analogous to utilities in terms of their competitive situation.

(3) The government pays a substantial amount of money for medical care through Medicaid and Medicare.

(4) The state is charged with indirectly regulating how much citizens pay for health care through its authority over Blue Cross, Blue Shield and other health insurance rates.

(5) The state is in a position to view individual hospitals' needs, priorities, budgets, and operations in the context of statewide needs, priorities and resources for health care.

From the point of view of hospitals, it would appear that there are several good reasons for having a responsible and flexible state involvement in over-all hospital budgeting.

(1) At the present time, hospitals are often the object of uninformed or misunderstood criticism. Few persons outside of the hospital industry adequately understand hospital budgets and have the necessary data to fairly evaluate them.

(2) In general, both hospitals and critics are caught in the bind where hospitals say "our budgets are efficient and contain no fat, unless you can show they do," critics say "your budgets are inefficient and contain fat, unless you can show they don't," and neither party has an objective and independent place to turn for an unbiased evaluation.

(3) Hospital revenues are increasingly uncertain and threatened by piecemeal, though frequently necessary, state action such as the ceiling on Medicaid rates imposed by the legislature's Joint Budget Committee.

Establishing a strong state health facility cost commission would cost approximately $200,000-400,000 per year. It could be challenged as yet another needless bureaucracy; however, in the field of health care American citizens are more receptive to government intervention than in most other fields. Recent polls indicate significant support for the vigorous regulation of Blue Cross premiums and of hospital charges.

The need for a strong commission with broad authority over all hospital rates and hospital third party payers is well evidenced by the fact that since 1972 Colorado has had a limited prospective payment system through the Medicaid Program which has clearly failed to halt hospital cost inflation in Colorado.

The time to establish a rate control commission is now, during the 1976 Colorado legislative session. Delay only punishes the state's taxpaying consumers, the purchasers of hospital insurance, the poor, and the aged. Prompt action can result in a regulatory mechanism protective of the state's consumers yet equitable to the hospital providers.

TESTIMONY BEFORE THE HOUSE COMMERCE HEALTH SUBCOMMITTEE

Mr. Chairman, Members of the Committee, my name is Kenneth A. Platt. I am a practicing generalist from Westminster, Colorado, serving as the Medical Director of the Colorado Foundation for Medical Care (CFMC) and am here to testify as to the practical results of an operating PSRO and review programs in general. The experience that forms the background for this paper is derived both from my medical directorship of the CFMC and from being involved as the Chief of Staff of two large urban hospitals, and as president of my local and state medical societies. Copies of my oral presentation are available for the Committee's use as well as a few copies of a paper entitled, "Inpatient Quality Assurance From the Viewpoint of the Private Physician" which I prepared for a conference sponsored by the Robert Wood Johnson Foundation at Boston University in November of 1975. It offers a broader perspective on review programs in general than we have time to discuss here today.

In discussing the practical results of an operating professional review program, one must consider both the economic and professional impact of such review. It is understandable in these days of seemingly endless inflation of medical care costs that the economic issues are of more immediate interest and concern to those who bear the burden of those costs. Of equal and perhaps greater long-term importance, however, is the quality assurance aspects of such review activity. All of you are aware of the recent publicity given the oversight committee's statements on the frequency and costs of "unnecessary surgery" and the problems surrounding the identification and correction of the improper or inadequate delivery of medical care. Let me hasten to assure you that the profession is as genuinely distressed by incidents of negligence, gross incompetence or out-right fraud as are members of this august body and just as determined to identify and correct these deficiencies. We believe that the proper implementation of the PSRO and similar review programs will provide us with the mechanisms to accomplish both reasonable containment of costs and assurance of quality.

Although the PSRO program in general is in its infancy, some organizations have been in existence long enough to have acquired data that should be of interest in these deliberations. The CFMC has been involved in PSRO activity since August of 1973. Our initial 15 months of operation was under an experimental grant from the Bureau of Health Insurance and the Colorado State Department of Social Services to set up and operate a PSRO-type review on all Medicaid and Medicare admissions in some 95 general hospitals throughout the state of Colorado. This was accomplished by January, 1974, and since then, we have been operating in these hospitals first as a prototype and then for the past one and one-half years as an officially designated conditional PSRO covering the entire state of Colorado. Our scope of activity is largely the inpatient review of the Medicaid, Medicare and Title V patient, but we are, also, operating an experimental review program covering private patients in one large urban Denver hospital, and are in the process of working with private insurors and the Colorado Hospital Association to broaden this activity. In addition to the inpatient review mentioned above, we have been doing ambulatory claims review for four years. This encompassed the Medicaid program for the Colorado State Department of Social Services, and, also, some 40,000 private patients covered by self-insured or indemnification contracts through private carriers.

The CFMC has also done experimental work under the old EMCRO program in data development and analysis and in the long-term care sector. The knowledge gained from these projects formed the basis for a proposal to do a long-term care project as an operational PSRO in our next contract period.

Having established the background of our professional review activity—what about the results? Are we cost effective? Have we saved money? Is utilization down? Has quality improved? How about physician acceptance and participation?

The data represented by the charts that accompany this presentation was gathered during review activity spanning the years 1972 through 1975 for ambulatory review and 1973 through 1975 for inpatient review. The total federal inpatient admissions reviewed thus far is over 265,000 admissions in 95 general hospitals in urban, suburban and rural settings. The average cost per admission for our review activity has been $12.27 which includes the review procedure and technical back-up such as data profiling, physician advisor time, etc. That means a cost of 3.3 million dollars to review 265,000 federal admissions for 33 months that occurred between August, 1973 and December, 1975. That is a significant expenditure of tax money and the question immediately arises as to its cost effectiveness. To answer that let me first state that we have found that the use of the reduction of the average length of stay as a measurement of our effectiveness is subject to significant error.

Of more importance is the measurement of the number of hospital days used per 1,000 eligibles per year. Why is this so? Initially, the impact on the average length of stay may be quite favorable as your review process weeds out the one to two day diagnostic admission; the four to five day pre-operative workup; and shortens the average stay of the uncomplicated medical or surgical patient and changes the patterns of practice of the chronic over utilizer. Eventually, however, that is accomplished and the average length of stay will stabilize or go up somewhat as the patient mix shifts to the more seriously ill.

Let us look then at the calendar year 1974—the first full year of statewide review activity covering the federal inpatient in Colorado and use the number of days utilized per 1,000 eligibles as our index of effectiveness.

In 1973, the base year, the Medicaid program in Colorado experienced a 3.8% increase in the ratio of patient days per 1,000 eligibles. In 1974 with statewide review activity the program experienced a 9.5% decrease in the ratio of patient days utilized per 1,000 of eligibles, as well as a 9.9% decrease in the ratio of discharges per 1,000 eligibles. This would indicate a decrease both in the ratio of admissions and the days utilized by eligibles under the Medicaid program.

If we examine the Medicare program in Colorado using the same yardsticks, we find that in 1973 the ratio of discharges was up 1.7% per 1,000 eligibles although the ratio of patient days per 1,000 eligibles dropped 3%. In 1974 the ratio of discharges dropped 5.6% and the patient days utilized per 1,000 eligibles dropped 9.5%.

Let us take these figures and extrapolate the percentages based on trend analysis to the number of days of decreased utilization per 1,000 eligibles of both programs times the average charge per day. The results for 1974 as shown in the accompanying tables are as follows:

Medicaid: 154 days/1,000 eligibles=22,824 days.

Estimated cost avoidance (1974), 22,824× $116.70=$2.7 million.

Medicare: 271 days/1,000 eligibles=55,222 days.

Estimated cost avoidance (1974), 55,222× $87.57=$4.8 million.

$2.7 million+$4.8 million=Estimated $6.4 million of cost avoidance.

We recognize the immediate reaction is, "Yes, but", and appreciate the variables that may play a role in these results such as the economy; changing treatment modalities, etc. Granted these are of valid concern, it still is of interest to note the favorable comparison of an expenditure of $1.5 million and an estimated cost avoidance of $6.5 million for a 12 month period, and to note that this cost avoidance occurred during the first year of full review operations when all concerned were learning their respective roles. These figures are as accurately portrayed as it is possible to do so given the present state of our data base. The figures mentioned above would seem to indicate a cost/benefit ratio of ¼ which would certainly suggest the program is cost effective if these preliminary figures stand up to further scrutiny.

Let us now examine a broadening of the scope of review activity into ambulatory and long-term care review. We have been involved in doing ambulatory review under the State of Colorado Medicaid program since 1972, and with private patients under individual contracts over a similar period of time. This is an area of great delicacy since it projects the review activity into the physicians' office which, until now, has remained a refuge from increasing governmental and consumer scrutiny. It is a type of review that should not be undertaken lightly and yet we have felt it is an area of proper concern. Certainly, if the emphasis in the future is on increased outpatient care and services, then it will be natural to assume increasing responsibility in reviewing the utilization and quality of these services. Four years of experience has given us hope that this task can be accomplished with a minimum of professional harassment and with a maximum potential for quality impact.

The long-term care sector review is in its infancy and we can only talk in terms of hopes rather than results. In light of what we have learned during our years of experimental research, we believe that this area offers perhaps the greatest potential of all in terms of elevation of the human spirit and improvement in the quality of life for a segment of our population too long neglected by the general public. It is our sincere hope that the financial means will be forthcoming to allow the profession to adequately address this problem.

Lastly, let me comment on the issue of professional acceptance of these review activities and address the quality issue as well. To say that there is general acceptance of PSRO activity by the profession would be incorrect. There is, however, an increased willingness to accept the need for public accountability and professional responsibility in the areas of quality assurance and utilization review. It is my personal belief that the scales have now tipped so that it is the reluctance to adequately fund the program at the federal level that is causing greater delay in its implementation than is professional opposition to its concepts. In our PSRO area, for instance, we have as members some 57% of the licensed practicing physicians with a 66% jump in numbers in 1975. The number of physicians actively participating in the review process is 932 out of approximately 3,808 in the state or almost 25% direct involvement.

The emphasis of their activities and, indeed, of the Colorado PSRO in general will be increasingly devoted to the measurement of quality as the review of utilization becomes standardized and accepted. The issue of quality of care is dear to the hearts of all concerned professionals. The technical and professional difficulties of quality measurement are many, but not insurmountable and through the medical care evaluation studies of the PSRO program and other mechanisms such as the Joint Commission on Accreditation's Professional Evaluation Program will be addressed now and in the future.

In summary then, let me say that the professional community stands ready and willing to join with government and the general public to review the utilization of our medical care resources and to assure the quality of care rendered by practicing professionals. If the climate surrounding this common endeavor is one of mutual respect and trust, then the public can only benefit from professional review activity as embodied in the PSRO approach.

A HERITAGE OF TRUE GREATNESS

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. ROGERS. Mr. Speaker, it gives me great pleasure to take this opportunity to include in the CONGRESSIONAL RECORD, the very thought provoking speech written by my constituent, Mr. Mitch Danillo Susnor, Mitch Susnor, of Palm Beach, is the Florida State winner of the 29th Annual Voice of Democracy Program sponsored by the Veterans of Foreign Wars of the United States.

Mitch is presently a junior at Cardinal Newman High School. His reflections on our Nation's Bicentennial are timely. The perceptions that he elucidates allow one to evaluate on a personal scale, the rights as well as the responsibilities, that our freedom entails.

I recommend this thoughtful essay to all of my colleagues at this time:

ESSAY BY MITCH DANILLO SUSNOR

Small people meet and discuss other people . . . Concerned people meet to discuss events . . . Great people meet and discuss ideas. . . .

At another time, at another place . . . men of greatness gathered to discuss an idea . . . and that idea framed the boundaries of a nation . . . shaped the destiny of a people . . . and declared a scared value on individual rights.

Today, two hundred years later . . . in this country, every time you hear a new born baby cry . . . or hear a church bell ring . . . or see a day of voting begin, you can believe that the bicentennial soul of that idea lives on . . . and it gains its own peculiar perpetuity because that idea (given to us as a way of life some 200 years ago) has the inherent ingredients of strength, resiliency, and compassion.

The strength of that concept was tried and tested on innumerable times in our history. Through the terrible turmoils of civil strife, it has been pushed and pulled from within . . . its very fibre severely strained . . . but held. It has been further, constantly under surreptitious and open attack from without. But again, the firmness of the fibre refused to rupture, and many times the nations of the world have known the kind, compassionate touch of the concept when there has been unexpected devastation and disaster.

In this year . . . in which we reflect and remember . . . each of us, in our own personal way, knows that the strength, the resiliency, and the compassion emanating from that other time and that other place, are a part of our daily lives. More specifically, however, 200 years ago . . . each and every one of us here today, were granted rights of greatness, from men of greatness. Based on their concept, we now have the right to plan and to pursue . . . the privilege to desire and aspire . . . to reach for the outer limits of our capabilities . . . and most significantly, we have that most coveted of all privileges . . . to privately select and elect, those whom shall govern us. And most importantly of all . . . as it was then . . . as it is now . . . our heritage places a supreme value on our lives, and on our rights.

But, in this, the 200th year of our free existence, we must be both practical and factual. We must recognize that ours is the age of jet-computerize realism. Let us not be lulled to complacency by the candy-coated concept that being born free . . . guarantees that all will be free! This bicentennial time is not an automatic renewal of a passport to paradise . . . we must be prudent and productive . . . striving to benefit individually . . . yet joining hands to improve collectively. If we are strong from within, we will not be provoked from without. This, then, is a time to be vigilant and vigorous, to be alert to abuses, ready to rectify wrongs, to be knowledgeable and practical . . . so that we may accept the challenge of change.

We must step in cadence to the tempo of our time. You . . . and I . . . have a time-tested heritage to uphold, a sacred scale of rights and responsibilities to keep in balance . . . a treasure beyond measure . . . to live for, to die for.

The idea that has traveled from another time and another place is still the envy of the civilized world. It is a heritage of true greatness, a gift that defies the dimension of all greatness.

TRAGEDY IN ANGOLA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. McDONALD of Georgia. Mr. Speaker, as the tragedy of Angola draws to a conclusion, it is time to take a close look at American policy in that area. The Cuban Communist troops have won a military victory over their opponents. A Communist dictatorship is being established in Angola. The foreign press has received orders to leave. As in Vietnam, the atrocities will be carried out by the Communists without having to worry about the foreign press watching.

Henry Kissinger's foreign policy maneuvering has been a total failure. The attempts to appease the Communist dictator in Cuba resulted in a slap in the face to the whole world when Castro ordered his troops into combat in Angola. Castro, as usual, served Soviet, not Cuban, interests.

The tragedy in Angola goes back to the early 1960's when Holden Roberto, the leader of the Communist terrorist FNLA, lost the support of the Soviet Union. Soviet support was transferred to the rival Communist terrorist group, the MPLA. The Chinese Communists and the CIA threw their support to Holden Roberto's terrorists. The question apparently was never raised as to why the United States, if it had to support anybody, could not support responsible people in Angola who opposed terrorism and communism.

It is a subtle form of racism to believe that anyone except the white American deserves to live under Communist totalitarianism. The foreign policy of our Government for many years has consigned millions of people to the horrors of Communist domination. In Angola again we were given the grim choice of the Soviet backed Communist terrorists, or the Red Chinese backed Communist terrorists that had formerly received Soviet backing.

The American people are ready for a great debate on the subject of America's responsibilities to the rest of the world. We have to decide whether American aid abroad is necessary to maintain American freedom. If we decide on a "fortress America" concept and cut off the rest of the world, I believe we would be making a mistake. If we decide that it is necessary to support those who are fighting for their own freedom and ours, then we should not be supporting petty little Communist tyrants such as Holden Roberto. In Angola we did not support a viable alternative. Now is the time to reexamine American support for groups all over the world to determine whether these groups deserve our support.

The possibility exists that the Cuban troops now in Angola will be used in an invasion of Southwest Africa. There is already a Communist terrorist group functioning in that area, the Southwest African People's Organization, SWAPO.

If the Cuban invasion takes place, who will we asked to support? The people of Southwest Africa will be defended by the Republic of South Africa. Will we support some Chinese Communist backed terrorist group that will be chosen as the rival to the Soviet backed SWAPO?

Many of our problems around the world are directly traceable to the State Department-CIA support for Communists, Socialists, and assorted other enemies of the United States. This support must end. If we support anybody, it should be people who fight for their own freedom and ours.

WE MUST NOT LET A DAY OF INFAMY GET US ALL UPSET

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. DERWINSKI. Mr. Speaker, as we enter a week in which we will take up both the international security assistance authorization bill and the foreign assistance appropriation bill, perhaps it is practical for us to appreciate the direction in which the Congress is heading in foreign affairs.

A column which is both interesting and in a clearcut manner analyzes the present Congress was the one which was written by Columnist Michael Kilian and appeared in the Chicago Tribune on February 24, 1976. I insert it in the RECORD and feel that further commentary on my part is unnecessary:

WE MUST NOT LET A DAY OF INFAMY GET US ALL UPSET

(By Michael Kilian)

(Angola has become the fourth nation in a year to fall to Communist or Communist-backed troops. Many experts fear conflicts will erupt in other countries in Africa, but Congress seems little concerned. Was it always thus?)

PEARL HARBOR, December 7.—In an early morning surprise attack, air and naval forces of the Empire of Japan struck United States military installations here today with devastating effect.

Citing Dec. 7 as "a day that shall live in infamy," President Roosevelt called upon Congress for an immediate declaration of war.

Reaction from Capitol Hill was swift.

"Let us not be hasty," said Sen. Goober Gumphrey [D., Minn.]. "As every man, woman, and child in America knows, I stand foursquare behind our great country's defense needs. I deplore the action that Japan took. It's underhanded and sneaky. But, golly, we really ought to think very, very carefully before committing American troops to a land, sea, and air war in the Pacific."

"We shouldn't have been in Hawaii in the first place," said Sen. Forge Ungovern [D., S.D.]. "We seized those islands in an unjust, imperialist coup in 1893 that overturned the legitimate government. Many of the people in Hawaii are of Japanese descent. What right have we to interfere with their self determination? Hawaii isn't worth the life of a single American boy."

Ungovern was denounced by Sen. Bury Coldwater [R., Ariz.], who spoke out in support of the President.

"I say we should defend American territory no matter where we have to go to do it," he said. "I say we should bomb 'em and blast 'em and smash 'em until they realize that America can't be pushed around like that."

Coldwater was in turn denounced by Sen. Beech Buy [D., Ind.], who said American involvement in the Pacific would be "a costly mistake."

"Why, shucks," he said. "Where would it end? Next we'd be in Guam, Saipan, Iwo Jima. America can't afford it. What we need now is jobs, jobs, jobs. A war can't get us out of the Depression. We need to put more money into the WPA and the CCC."

Congressperson Bellow Abzurd [D., N.Y.] called the incident "a hoax."

"Who's to believe?" she said. "If the Japanese are so bad, why aren't the Soviets fighting them?"

Testifying before the Senate Foreign Relations Committee, Actress Jone Honda said we should go to war but on the side of the oppressed Japanese.

"We're against them only because the Japanese are of a different race," she said her eyes filling with tears. "They are a quiet, peaceful people who like to sit on cushions and drink tea."

She said she was leaving for Tokyo at the invitation of Gen. Tojo to see for herself that atrocity stories concerning Japanese treatment of prisoners were untrue.

Sen. Crank Lurch [D., Idaho], chairman of the Senate committee investigating unwarranted paramilitary activities by the Office of Strategic Services, said he had reasons to believe that the administration had arranged the Pearl Harbor raid as a means of justifying American espionage operations in Germany and elsewhere.

Sen. Wily Poxmired [D., Wis.] agreed.

"They're just looking for an excuse for more wasteful military spending," he said. "Next thing you know they'll be asking for Congressional approval for the unneeded, untested B-17 bomber and other useless weaponry. We have more than a sufficient number of biplanes and other aircraft that proved perfectly satisfactory in the last war."

Former Gov. Jimmy Barter said he could see the merits of Roosevelt's argument but, on the other hand, he could understand the other side's point of view, too.

Later in the day, Secretary of State Henny Slickinger called a news conference to say that, in consideration of the U.S.-Japanese rice deal and other matters, the President had modified his position and that a peaceful settlement of the dispute would be sought at talks being held on limiting the size of the American and Japanese Pacific fleets at present levels.

ELAYN HUNT: SHE FOUGHT A GOOD FIGHT

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. LONG of Louisiana. Mr. Speaker, the State of Louisiana has lost one of its most dedicated and valuable public servants. Elavn Hunt as director of corrections put forth all her energy and talent into bringing about needed reforms in Louisiana's penal system. Her presence will be sorely missed.

I wish to share with my colleagues an editorial which appeared in the Shreveport Journal on February 9, 1976, which pays tribute to this great woman:

SHE FOUGHT A GOOD FIGHT

Louisiana's prison reform movement suffered a setback with the death of Corrections

Director Elayn Hunt Tuesday in Baton Rouge.

The trail-blazer—one of only two women in the nation to hold the post of corrections director—actively sought the position she held in order to bring about reforms in the state's penal system. She was named to the post by Gov. Edwin Edwards in 1972.

It didn't take the strong-willed Mrs. Hunt long to discover that funds to effect the reforms weren't forthcoming. Undaunted, she continued to plod on, working with dedication, to secure funds to achieve progress. She met with measured success, but the penal system continued in the role of a step-child when it came to allocations.

At the height of her frustration, a federal judge last year ordered massive and immediate prison reforms in the entire system. Lacking resources to accomplish the seemingly impossible task, Mrs. Hunt considered resigning, but rejected the impulse to continue her fight. All of the things she and then-Warden C. Murray Henderson had been fighting for were contained in the court's order. Everything but funds.

The court's order marked the beginning of prison reform—something that had languished for years due to public apathy, the remoteness of the giant state penitentiary at Angola and a disinterested Legislature. One official pointed out with sarcasm that prisoners don't vote or pay taxes, nor do they have lobbyists working for them in Baton Rouge.

U.S. District Judge E. Gordon West, in his court order, stated that conditions at Angola "not only shock the conscience," but violate the rights of its 4,000 inmates, twice the number for which the institution was designed.

Official reports reaching Judge West indicated conditions at Angola bordered on the barbaric and inhuman, were grossly substandard and constituted an immediate danger to the life and well-being of inmates, and staff. In addition to overcrowding, the guard population was insufficient to maintain order. Violence was a common thing—brutal beatings, homosexual rape, intimidation, stabbings, slashings, shootings and a constant diet of death. Medical facilities were woefully inadequate and inmates were dying for lack of attention. There were serious fire hazards.

It was a small wonder that the jurist became incensed. He ordered the state, in the names of Gov. Edwards, Mrs. Hunt and Warden Henderson to correct the situation by hiring more guards, reducing the inmate population at Angola to 2,600 and decentralization of the prison within a two-year period. He blocked admission of any new prisoners at Angola until the 2,600 figure was reached, putting a strain on jails throughout the state.

The Legislature, which was in session when the court order was signed, ignored the issue, just as it had ignored the penal system for decades. It was an incredible exercise in poor government.

Gov. Edwards has resisted calling a special session of the Legislature to secure funds, possibly as much as $10 million initially, to comply with the court order. He may yet have to go that route if the state's efforts to have Judge West's order overturned are unsuccessful.

Meanwhile, what is the picture at Angola? What has been done in the seven months since the order was handed down? The changes have been slow in materializing, due to a lack of manpower and funds. By the end of the year, the inmate population had gone down to 3,500 and was dropping at a snail's pace. For prisoners who had cheered the judge's order and anticipated immediate improvements, the situation was discouraging.

Despite failing health and a series of setbacks that would have shattered the spirt of even the most determined, Mrs. Hunt worked 16-hour days for months prior to her hospitalization in December.

Mrs. Hunt, who used her maiden name professionally to guard her private life, was married to John Eicher, a Baton Rouge insurance agent. They had three children. There is little question but that Mrs. Hunt saw little of her family during those frantic months after Judge West's order. For that sacrifice alone, the citizens of the state owe the late Mrs. Hunt a debt that cannot be paid.

Mrs. Hunt proposed creation of specialized institutions, not just a series of identical little prisons all over the state. She told the Journal last year, "If you do the geographical location concept so that you're really trying to base that offender as close as you can to his home town, that means in every institution you're going to have to have maximum, medium and minimum security. You're going to have duplication of programming and of staffing. The system I feel will produce the most benefit will be the kind where you're able to transfer that man around as he shows some aptitude, or improvement and becomes eligible for one program or another—so that your staff will be zeroing in on that particular type of program."

Mrs. Hunt has fought the good fight. She has provided the guidelines for bringing Angola out of the dark ages and into the sunshine of reform. The rest is up to the public, the Legislature and state officials.

THE ATLANTIC CONVENTION RESOLUTION

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. FINDLEY. Mr. Speaker, the House International Relations Committee has reported favorably on a voice vote House Joint Resolution 606, the Atlantic Convention resolution.

Here are the facts about the resolution, expressed in responses to questions that are frequently asked.

Question: Why House Joint Resolution 606?

Answer: Several problems are so critical and complex that their management requires more effective unity on the part of NATO nations.

Most urgent is the deteriorated international security situation. It results from the relentless worldwide growth of Soviet military power and influence, and the progressive weakening of NATO's southern flank. The erosion of political will and unity has undermined a once vibrant security system.

Other critical problems relate to energy, nuclear proliferation, monetary trade policy, and the environment.

House Joint Resolution 606 starts a process through which more effective unity may be achieved in the management of these problems.

Question: Why a convention?

Answer: The convention will be a prestigious forum in which delegates from NATO nations will jointly assess these critical problems and focus attention on the necessity for more effective trans-Atlantic unity.

Question: What power will the convention have?

Answer: Only the power to recommend. Nothing more. Any declaration or other statement which may be agreed upon by the convention must be referred back to the U.S. Congress and individual parliaments for consideration.

Question: Is House Joint Resolution 606 a call for Atlantic Federal Union?

Answer: Absolutely not. It can accurately be described as a call for more effective unity of NATO nations. But it is not a call for a specific form of unity. The word federal appears in the resolution but once, and then only as a democratic principle which the convention may, or may not, consider.

The convention will deal with goals, rather than institutional changes. If, sometime in the future, a federal institution should be proposed, it would of course require an amendment to the U.S. Constitution and be subject to approval by the Congress and the States in normal constitutional manner.

Question: Will the U.S. Government or the American people lose any sovereignty—or risk such loss—under this resolution?

Answer: Absolutely not. Moreover, any proposal recommended by the convention would have no force or effect unless later approved by U.S. constitutional process. It should be noted that institutions like the European Community and NATO have had the effect of enhancing sovereignty, not diminishing it. Greater allied unity will protect rather than restrict national sovereignty. As it is, when disunity is exploited by OPEC or the Soviets, we all suffer a net reduction in our freedom.

Question: What will House joint resolution cost?

The 18 U.S.-delegates will serve without pay. The authority for the delegation will expire in 3 years, and in that time aggregate expenses under the resolution cannot exceed $200,000.

Question: What kind of action might be taken by the Convention?

Answer: To begin, it may decide to give first priority to ways of achieving more effective European unity, deferring the larger task of trans-Atlantic institution building until a later date. Or the Convention may elect simply to perfect our existing institutions rather than creating new ones. It may concentrate on better coordination in the field of defense and foreign policy, seeing these as the two most urgent concerns.

Question: Would greater European unity be an advantage to the United States?

Answer: Definitely. Greater European unity would be a wholesome event for U.S. policy and interests. For one thing, it would greatly simplify the conduct of our foreign affairs. It would be easier to coordinate policies with a single entity than with a multitude of states. In the security field, less energy would have to be devoted to reconciling differences of approach, doctrine, organization, and so forth. Once unified, Europe would lose its sense of inferiority and defensiveness vis a vis the United States; this would ease the recurrent strains in our relationship and guard against a renascence of Gaullism, so debilitating to our collective

strength. Finally, a united Europe would be a tough nut for our adversaries to crack. No longer could one nation be played off against another, thereby draining the alliance of morale and vigor.

Question: Why is this a good time for such an initiative?

Answer: The build-up of Soviet force levels—both conventional and nuclear—casts ominous and awesome shadows across the entire Atlantic community. We do not know what the Soviets intend to do with this massive force, but we do know its size far exceeds what is required purely for purposes of self-defense or internal control in Eastern Europe. Greater trans-Atlantic unity is an important hedge against this uncertain but growing threat. The symbolic force of our unity can help to deter otherwise promising Soviet adventures, such as in the Balkans after Tito's death. Also, if we delay for much longer, our common problems—nuclear proliferation, environmental protection and monetary policy—may outrun our efforts to solve them.

Question: What does this mean for the less developed nations of the world?

Answer: Greater unity among the industrial democracies will help the interests of other nations. Greater unity means more effective mechanisms for aid, greater reservoirs of resources, and more creativity for dealing with problems of development. It is only natural that nations will do more out of a condition of strength and unity than selfish weakness. Moreover, the symbolic importance of unity among the industrial democracies will illuminate the world in a dramatic sense. Such an example will give sustenance to the forces for democracy in developing states, allowing them to combat the empty rhetoric of Marxism with the reality of a vital and reinvigorated Atlantic community.

Question: What is the significance of this resolution having originated in the Congress?

Answer: The Europeans are greatly impressed that this resolution emanated in the Congress rather than the executive branch. Many were beginning to feel that the Congress was turning inward. The Atlantic Convention resolution looks outward in a positive manner and thereby helps to create confidence in our sense of purpose and guarantees. This result will obtain irrespective of the specific conclusions reached by the convention.

HIP

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. CHARLES H. WILSON of California. Mr. Speaker, many of our largest companies, and even whole industries, are being criticized and are receiving bad publicity these days. Today, I would like to share with my colleagues a story that illustrates that there is another side to the coin.

Many large companies have programs that demonstrate their civic responsibility and show that they have a sense of belonging to their local communities. Unfortunately, stories about things such as that have no sensation value and are often considered too dull by newsmen.

Northrop Corp., which is located in Los Angeles and which is one of the largest aircraft builders in the world, is one of those companies that do much for the communities in which they are located.

There is, for instance, Northrop's high school involvement program, called HIP. This spring, 187 high school seniors from Los Angeles schools will participate in an on-the-job training program.

This training program is conducted during regular working hours at Northrop's Aircraft Division plants in Hawthone and Palmdale, Calif.

The HIP program is now in its fifth year. It is a cooperative program, with Northrop and five school districts—Antelope Valley, Centinela, Compton, Inglewood and Los Angeles—participating.

It is designed to help young people develop job skills and work experience in a real world environment that cannot be duplicated in a classroom.

HIP students spend 2 hours each day, from 1:30 to 3:30 p.m., at Northrop plants in a wide range of departments. These departments include engineering, data processing, manufacturing, personnel and finance. Each HIP student is assigned to Northrop volunteer instructor to work with the student on an individual basis.

These apprenticeships also earn the students high school credit for two classes.

The object of the program, of course, is to give these young men and women a chance to develop usable skills and gain self-confidence before leaving school for the working world.

Another facet of the program is that in addition to developing skills, the students are also counselled on how to find and apply for a job. Many HIP participants are students who have indicated that they do not plan to enter college, and thus will soon be entering the job market.

Possible enrollees in the program are first identified by high school career counselors. They are then interviewed by a committee of Northrop employees. The selection criteria include interest, maturity and aptitude for the work selected.

In the past 4 years, more than 600 seniors have completed the 16-week HIP program.

At this time, I would like to congratulate the 187 students who have been selected for this spring's HIP program and I would like to say "well done" to Northrop Corp. executives who have helped to make the plan a success.

LIFE SUPPORT CENTERS

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mrs. SPELLMAN. Mr. Speaker, in the debate surrounding the issue of abortion there is one fact upon which nearly all agree: That there are thousands of women with unintended pregnancies who are confused and unsure of the alternatives available to them. The needs of these women exist, and will continue to exist, regardless of how the legal status of abortion is resolved.

And, there is one category of women with such pregnancies who need our help most of all: The pregnant adolescent. There are so many conflicts facing these young prospective mothers, so many risks and even panic, that they turn to abortion without realizing that there are other ways to handle the situation. Although the pregnant teen may be aware of other alternatives, she sometimes encounters difficulty in obtaining the necessary assistance. We owe these young women a real alternative to abortion—one which will allow every prospective mother to consider all the possible avenues for help.

During the Senate hearings on the various proposals for a constitutional amendment to protect the right to life, some startling statistics became evident. Consider, for instance, the fact that one out of every seven girls between the ages of 12 and 17 will give birth to a child next year, and approximately 40 percent of these girls will give birth out of wedlock. This percentage, although a dramatic increase over that of the past decade, is expected to further increase in the next decade due to changing social attitudes toward marriage. Those girls who marry before they give birth may find themselves becoming a part of the alarming statistics that show that two out of three of such teenage marriages will be dissolved within the first 5 years.

According to the Census statistics, the number of teenagers is increasing both numerically and in proportion to the total population. Because changing social mores seems to be resulting in growing numbers of sexually active adolescents and out-of-wedlock births, specialists predict an epidemic of teenage pregnancies and single parent households in the future. One of the problems that will confront these new mothers will be the care of their children.

Of the 85 percent of teenage mothers who currently choose to keep their child at birth, large numbers will find it necessary to relinquish their children, because of economic and social attacks they must face. It is known that such separation often leads to the children suffering from irreversible emotional, and sometimes physical, harm. Likewise, the mother, with feelings of guilt and neglect, may join the growing number of teenage suicides.

Most alarming of the newly acquired statistics is the increase in pregnancies in the under-15-years-of-age group. This group is the only one in the childbearing years which is actually showing an increase in its rate of pregnancy as well as in absolute number of pregnancies.

These teenage mothers, still children themselves, and their children will continue to suffer if we ignore their needs. Despite the efforts of concerned volunteers and agencies and programs such as the Center for Teenage Mothers and Their Infants at Johns Hopkins Hospital

in Baltimore, the costs associated with teenage childbearing are as unacceptable as they are unnecessary.

A major area of concern for these unprepared expectant mothers is the health factor. Health risks for the mother as well as the child are great. Medical evidence has shown that the teenage mother has a higher probability of health problems during pregnancy and delivery than any other group except for women 40 and over.

Nutrition should be an area of great concern to the pregnant mother. Normal teenage growth and good heath require increased nutrition, and it is known that the mother's health at the moment of conception plays a decisive role in formulating the expected baby's health. Yet often the teenage mother is unaware and unprepared nutritionally, and her lack of good health may result in pregnancy complications. It has been found that there are increasing incidences of toxemia, prolonged labor and iron deficiency anemia among teenage mothers. Similarly, a child born to a teenage mother, because of its poor health, is much more likely to die in the first year of its life than a child born to an older woman. Children born to mothers under the age of 15 have a mortality rate which is twice that of children born to mothers in their early twenties. Infants born to mothers aged 15 to 19 have a 52-percent higher mortality rate than children born to mothers between the ages of 20 and 24.

Present Federal policies are unfocused and ill-suited to meet problems faced by pregnant adolescents. Current Federal medical assistance programs have eligibility requirements which suffocate attempts of the mother to be self-sufficient, thus forcing the teen mother to go on welfare in order to obtain medical benefits. Since teenage mothers are often punished and expelled from the school systems, their incomplete education and lack of skills make them high risk unemployment candidates, dependent on the welfare public assistance system. Additionally, these mothers, because of the stigma of pregnancy, are forced out of normal social environments.

It is imperative that we help these mothers to adjust to their new life roles and that we help their children. Quite often the parents of the teenage mother cannot afford to help as much as they would like, or they may refuse to help entirely. Because of the confusion and proliferation of services, and because of the myriad eligibility requirements, they may not be able to obtain benefits they could use to stay together as a family; to help their child with her child. If we do nothing other than provide a coordinated series of services, we will have accomplished a great deal.

To begin this effort, I am introducing the Life Support Centers Act. Similar to legislation introduced by Senator BAYH last year, this bill provides health care services for pregnant adolescents before and after childbirth. It establishes national "life support centers" through State health agencies and nonprofit organizations, to provide a coordinated array of medical, social, and counseling services, including nutrition and adoption assistance if desired. Among the services offered through these centers would be: First, health care to the prospective adolescent mother, both pre- and post-natal, and including nutrition programs; second, health care to infants of adolescent mothers during preschool years; third, referral services to other agencies that may service needs, if such referral is deemed necessary; fourth, coordinated social services, including educational, vocational, legal, and social counseling for the mother; and fifth, funds to provide adoption services for adolescent mothers who are considering the voluntary placement of their child in adoptive homes.

This legislation limits the Federal share of assistance to such "life support center" programs to 75 percent of the cost, and authorizes $30 million in appropriations for the next 2 years.

In all the debate on the abortion question, there has been entirely too little emphasis on providing services to sustain life. The legislation which I am introducing today provides those services, to give pregnant adolescents the best possible care so that their children will have the opportunity to survive successfully.

Mr. Speaker, the bill follows:

H.R. 12197

A bill to amend the Public Health Service Act to provide health care services for pregnant adolescents before and after childbirth

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Life Support Centers Act of 1976."

SEC. 2. Title III of the Public Health Service Act (42 U.S.C. 201) is amended by adding after section 319 the following new section:

"SPECIAL SERVICES FOR ADOLESCENTS

"SEC. 320. (a) The Secretary is authorized and directed to make grants to health agencies of any State (or political subdivision thereof) or any other qualified nonprofit agency, institution, or organization (with the approval of the State agency) for originating, continuing, extending or improving programs involved in the provision of—

"(1) necessary health care to prospective adolescent mothers, including, but not limited to—

"(A) tests for pregnancy,

"(B) screening, diagnosis, and treatment of all prenatal and postnatal conditions, including nutritional deficiencies for a period of one year after birth; and

"(c) referral when appropriate to other agencies for treatments not covered under this section;

"(2) necessary health care to infants of adolescent mothers during their preschool years, including but not limited to—

"(A) medical examinations,

"(B) diagnosis and screening of—

"(i) nutritional deficiencies,

"(ii) visual and hearing defects,

"(iii) genetic birth disorders,

"(iv) mental retardation and learning disorders,

"(v) crippling and handicapping conditions, and

"(vi) catastrophic illness,

"(C) referrals when appropriate to other agencies for services not covered under this section;

"(3) family planning services;

"(4) a coordinated program of social services including educational, vocational, legal, social, counseling, and referral services (including adoption counseling) designed for adolescent mothers for the period extending to the point in time that the agency finds that parent and child are capable of caring for themselves; and

"(5) funds to purchase adoption services (approved by the Secretary) for adolescent mothers participating in a program established under this section who are considering the placement of their children in adoptive homes.

"(b) The Federal share of assistance to programs under this section shall not exceed 75 per centum of the cost of such program.

"(c)(1) Applications for grants under this section shall be made in such form and contain such information as may be required by the Secretary.

"(2) The Secretary shall approve only those applications which—

"(A) provide that the project for which assistance is sought will be administered by or under the supervision of the applicant.

"(B) set forth such fiscal controls and fund accounting procedures as may be necessary to assure proper disbursement of and accounting of Federal funds,

"(C) provide assurance that it will employ professionals skilled in maternal and child health, public health services, nutrition, and social services,

"(D) provide for cooperation with the State agency administering or supervising the administration of the State plan approved under title XIX of the Social Security Act in the provision of care and services, available under a project, for recipients eligible for such a plan approved under such title XIX, and

"(E) provide for the coordination of health and social services provided by the project with, and utilization (to the extent feasible) of Federal, State, or local health, welfare, and education programs.

"(d) Payments under this section may be made in advance or by way of reimbursement, and in such installments; as the Secretary may determine.

"(e) Nothing in this section shall be construed to require any project receiving financial support to compel any person to undergo any medical screening, examination, diagnosis, or treatment or to accept any other health care or services provided under this section for any purpose, if such person or his guardian objects.

"(f) No individual shall be required as a condition precedent for the receipt of assistance under this Act or any other law to participate in programs established or assisted by Federal funds unless such individual has given their informed consent to such participation.

"(g) There are authorized to be appropriated to carry out the purposes of this section $30,000,000 for the fiscal year ending June 30, 1977, and for each of the next two succeeding fiscal years.".

"'OPINION-MOLDERS' OFTEN FALL SHORT ON FACTS"

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. MADIGAN. Mr. Speaker, Mr. Mike Carr, the farm editor of Lindsay-Schaub Newspapers, has recently written a column which addresses itself to the subject

of American grain. I recommend Mr. Carr's article to my colleagues:

"OPINION-MOLDERS" OFTEN FALL SHORT ON FACTS

(By Mike Carr)

Jack Mabley has built himself a reputation as a columnist with a concern for the common man.

Unfortunately, as I'm sure Mabley knows, too often one's concern for one common man is in conflict with the needs of another common man.

Mabley built his reputation and his following with the Chicago Today. When that paper folded, he was one of the stars brought over to the parent Chicago Tribune. I assume he brought most of his following with him.

Recently Mabley decided to express his concern for the people of Angola. It was a fine sentiment and a fine column—until the last paragraph.

Then he fell into the same trap that infects almost every big-city opinion molder I read.

Mabley quoted a missionary who formerly worked in Angola. The missionary said, according to Mabley:

"I just got back from South America, and maybe I'm a little out of touch, but I think one senator suggested that we get out of Angola and that we tell the Russians if they want us to send them any more grain, they'd better pull out, too. That makes sense."

Shades of the Meany mentality. Mabley and his missionary should sign on as special consultants to Henry Kissinger. He'd like them. They have the same distorted views as he does.

That makes about as much sense as Mabley telling me that if I don't stop writing derogatory things about him he'll stop sending me the Chicago Tribune. He doesn't own the Chicago Tribune and he doesn't send it to me. I buy it with my own money from a delivery boy who has a working agreement with the circulation department of the corporation.

The U.S. government doesn't send any grain to Russia, and it doesn't own any grain.

The Russians buy it from our large grain exporters who buy it from elevators who buy it from farmers.

And, unlike some of our friends, the Russians pay for it in dollars, gained by selling gold in the international market.

We don't come close to giving them any grain. In fact they don't even qualify for the credit terms we give to those nations who attack us every day on the floor of the United Nations.

But if Mabley and other influential columnists continue to assume that grain is the basic weapon in the U.S. diplomatic arsenal, it will become just that.

Once everyone is ingrained with the idea that all those crops—harvest with the sweat and financial investment of farmers—belong to "us" then the government will, in fact, control that grain.

It's already happening, of course. This year we are selling Russia about 13.2 million tons of grain.

But next year, under the terms of the widely heralded trade agreement negotiated by Kissinger's men, we can only sell them a maximum of 8 million tons.

Kissinger, remember, won't sell this grain. The State Department won't sell it. Gerald Ford won't sell it. Not even Earl L. Butz or the USDA will sell it.

The private grain traders will buy from the farmers a maximum of 8 million tons—perhaps only 6 million—and they will sell it.

The way things have been going lately, there is always the strong chance the Russians might be willing to buy more. That would make the market stronger and encourage the farmers to invest more in production and storage facilities.

But that won't happen. Even though it is a free market in theory, the farmers, through the grain trade, can't sell more than 8 million tons to the Russians.

The reason is that Kissinger and his crew have decided that's all they will allow to be shipped by that free, privately owned grain trade.

And the reason Kissinger and his crew can make such an agreement is because most of the people supporting them think the grain belongs to the U.S. And the reason all those voters in the concentrated masses such as Chicago think they own the grain is because opinion-molders like Jack Mabley naturally assume—in print—that this is true.

Eventually the voters will become so ingrained with that thought, that the government can step in and really take over the crops. Right now the planners don't have to do it with tax money and expensive bins, because they can do it more cheaply through trade agreements.

It is the nature of our business that people like Mabley don't read smaller, less prestigious commentators. So he won't read this.

That leaves it up to the common people to write and tell him the facts. Assuming, of course, you care as much about government encroachment on your marketing as you tell me you do.

CONGRESS SHOULD NOT BOW TO AUTO INDUSTRY

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. STARK. Mr. Speaker, the Committee on Interstate and Foreign Commerce in past months has been marking up the Clean Air Act. One section of this bill which is of the utmost concern to myself, my constituents, and Americans everywhere concerns Federal auto emission standards. Each year it seems that an extension is granted to the automobile industry and each year oxides of nitrogen, hydrocarbons, and carbon monoxide levels continue to increase.

Why should the auto industry again be granted a reprieve? In the past, the auto industry has claimed economic infeasibility or technological incapability. The Federal Government has bowed to these excuses and only now, it seems, is seeing these allegations for their real worth.

This year the Clean Air Act approaches the House floor, the auto industry has again clamored for an extension of Federal auto emission standards. They have claimed that antipollution devices attached to cars deplete fuel economy. It is becoming clearer however, that the auto industry is incorrect in that notion. In an article appearing in the Los Angeles Times, February 27, 1976, the California Air Resources Board is reported to have dispelled the auto industry's current excuse for further postponing tighter auto emission standards. Test samples indicate that fuel economy will not be lessened. I commend this article to my colleagues and urge them to reject any new extensions. The facts are stated explicit, the message is clear: Do not capitulate to the auto industry. Clean air and fuel economy are no longer mutually exclusive. The two concepts can live together and we will all breathe a lot easier.

The article follows:

AUTOS TESTED UPHOLD STATE'S SMOG POSITION

(By Paul E. Steiger)

WASHINGTON.—Test samples of automobiles to be sold in California during the 1977 model year indicate that the vehicles will meet next year's tighter state air pollution control standards with little or no loss in fuel economy, an official of the California Air Resources Board said Thursday.

The disclosure by Thomas C. Austin, deputy executive officer, lent support to arguments by environmentalists that Congress should resist pleas from the automobile industry and the Ford Administration to postpone tougher new federal emission-control standards now scheduled to go into effect in 1978.

The Administration wants to put off imposition of the tougher controls at least through 1981. Meeting the standards on schedule, Administration officials argue, would require use of devices that would reduce cars' mileage—thereby increasing U.S. oil consumption and creating greater dependence on imports.

Environmentalists and some congressional Democrats counter that, while some phasing in of the tighter standards may be necessary, total postponement—as the Administration proposes—is not.

Austin made his disclosure of California findings supporting this view at a meeting of key House members and top-level Administration aides. It was called to consider impacts on gasoline and public health of various proposals to stretch out or suspend the 1978 federal standards.

The Congressmen—Reps. Paul G. Rogers (D-Fla.), John D. Dingell (D-Mich.) and James H. Scheuer (D-N.Y.)—are members of the House Interstate and Foreign Commerce Committee, which is expected to finish work on one such measure next week. The Senate Public Works Committee already has approved and sent to the Senate floor a bill that would postpone the emission standards one to two years.

Administration representatives at the session included officials from the Federal Energy Administration, the Department of Transportation, the Environmental Protection Agency and the White House.

Austin said that in 1975, when Califorina imposed emission control standards tighter than the standards now in effect, cars in the state initially were getting an average of 10% poorer mileage than comparable vehicles in the rest of the nation.

The 1976 models, he added, have narrowed the gap somewhat. And on early tests of the 1977 models, the gap is narrower still and should approach zero, even though these cars must meet still-tighter California pollution control standards, Austin said.

Austin acknowledged that allowing the 1978 federal standards—which are even tighter than the 1977 California standards—to go into effect as scheduled could hamper efforts to improve mileage.

But he said the California experience suggests that the national standards could be tightened somewhat without any significant loss in miles-per-gallon efficiency.

The current federal standards for the three main pollutants from automobiles require limiting emissions of hydrocarbons (gasoline molecules in various stages of incomplete combustion) to 1.5 grams per mile, carbon monoxide to 15 grams per mile, and oxides of nitrogen (or NO_x) to 3.1 grams per mile. Next year, the NO_x standard will be automatically tightened to 2.0 grams per mile, with the other two standards unchanged.

The current California standards, by contrast, limit emissions per mile to 0.9 gram of

hydrocarbons, 9 grams of carbon monoxide and 2.0 grams of NO_x. Next year, the state standards narrow to .41 gram of hydrocarbon emissions, 9 grams of carbon monoxide and 1.5 grams of NO_x.

The standards required under federal law by 1978 would represent a tightening of both the California and the national limits. The hydrocarbon standard would drop to the 1977 California level of .41 gram per mile, while carbon monoxide would be limited to 3.4 grams and NO_x to 0.4 gram.

At present, both houses of Congress seem disposed to stretch out or soften the 1978 national standards, particularly with respect to NO_x. Diminishing emissions of that pollutant below 1 gram per mile could foreclose massive use of diesel engines in 1980s, a technology that otherwise promises significant gains in mileage per gallon.

The bill voted by the Senate committee, for example would postpone for one year the hydrocarbon and carbon monoxide standards now scheduled to begin in 1978. NO_x would be held at 2.0 grams per mile until 1980, when it would be cut to 1 gram.

ECONOMIC ANALYSIS SHOWS THAT THE SMITH AMENDMENT TO NATURAL GAS LEGISLATION IS COUNTERPRODUCTIVE

HON. ROBERT (BOB) KRUEGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. KRUEGER. Mr. Speaker, recently the House, by a vote of 205 to 201 passed the Smith amendment to H.R. 9464, emergency natural gas legislation. That amendment was offered only 24 hours before the vote was taken, and was advertised as being a "compromise." Yet the only thing compromised by the amendment are the hopes of users to get more gas supplies. These hopes were compromised at the altar of punishing the major energy producers. Punished with them are consumers.

Since it may be possible at some later time this year to consider deregulation again, I am, at the suggestion of several colleagues who were unfamiliar with the Smith amendment, offering an analysis of it.

This analysis approaches the Smith amendment from an economic perspective. By closely examining the justification and methodology of the Smith amendment to H.R. 9464, we can assess its rationale and consequences.

Four major issues will be discussed. The first two issues, windfalls and market power, provide the rationale for field price—wellhead—regulation implicit in the Smith amendment. The discussion of these topics includes an examination of the methods of price control—that is, the segregation between "old" and "new" gas, and between independent and major firms—that spring from the rationale. The second two topics—new criteria for "just and reasonable" regulated prices, and the extension of regulation into the intrastate market—entail sweeping changes that must be carefully considered.

I. CONTROLLING "WINDFALLS AND ECONOMIC RENTS": "OLD" AND "NEW" GAS

The desire to control windfalls and economic rents to producers is implicit in the old/new gas dichotomy in the new subsection (9) proposed in section 4 of the Smith amendment. It is sensible public policy to seek to maximize production for consumers at a cost as low as possible.

The intention behind these old/new definitions is identical to the intentions underlying the Krueger amendment definitions. Both seek to distinguish that gas which would be produced under the regulatory status quo from that gas stimulated by higher prices. I sought in the amendment that I offered to give definitions based on precise physical and legal parameters—such as new wells, and new contracts—while the Smith definitions employ ambiguous notions of geological structure.

Conventionally, the notions of traps, formations, structures, reservoirs, pools, fields, basins, et cetera, are coextensive. The relevant meanings must be extracted from context: A geologist will refer to the relative degree of permeability of the rock in a certain area, a producer will refer to the area to be drained by a well, a regulator will refer to an administrative unit.

While recognizing the complexities of how various terms are used, let us look at the definition of "reservoir" implicit in the intention of the Smith amendment. The Smith amendment seems to assume a definition of "reservoir" similar to that found in FPC form 40:

> A porous and permeable underground formation containing an individual and separate accumulation of producible hydrocarbons which is confined by impermeable rock or water barriers and is characterized by a single natural pressure system.

Once the term has been defined, the problem is that to view a reservoir simply in these terms is to view it in a fashion almost completely uncorrelated with the economics of the industry. Determining the actual cost of recovering natural gas, and allocating the marginal cost of additional units that are recovered as one seeks additional supplies requires one to consider the depth of the reservoir, the amount of gas contained therein, the pressure, the density of the intervening strata, the proximity to pipeline and market, et cetera. The intensity of the exploratory effort is only one of many cost factors, and its importance varies from formation to formation. Many reservoirs have been "discovered" which are uneconomical to produce at regulated prices; the Homestead Act was passed to facilitate development of the American West—the West had been discovered long before.

The term "extension of a reservoir" in the Smith amendment—section 4, paragraph 9C—causes similar problems. Significantly, the terms "extension" and "reservoir" are difficult to compare; while a reservoir is some geological entity, an extension refers to an increase in proven reserves or a well of a given proximity to another well.

If defined simply in terms of proximity to an existing well—say, 1 mile—the extension concept will cause inherent economic distortion. Although it is only rational to define extension in terms of volumetric expansion of proven reserves—producible under current economic and operating conditions—the Smith language could lead to an interpretation of extension as simply the proximity to an existing well. There is no logical reason to separate gas produced from the same reservoir but outside of an arbitrarily defined area surrounding an existing well from that developed within a radius if they truly come from the same reservoir. The economics and conservation requirements of a particular drilling area may prohibit drilling within an arbitrarily defined physical area, and therefore one would not increase the production from that reservoir. Yet if "extension" is defined as a volumetric expansion of proven reserves, there will be expanded drilling as defined by current economic and operating conditions, rather than by an arbitrary definition of area.

Instead of providing greater incentives, such definitions of reservoir and extension compound the uncertainties facing the producer, thereby inhibiting production. First, a natural gas producer, prior to drilling, does not know what he will find. As a result, the producer faces inevitable cost uncertainties. Second, he also cannot determine prior to investment the prospective price of his product if he is a regulated producer under the Smith terms. Compounding the uncertainties of nature and geology with the uncertainty of being unable to negotiate a price for a product is certain to discourage drilling.

One must note, of course, that the Smith distinctions are somewhat more economically rational than the counterproductive current distinction between dedicated and nondedicated reserves. Yet, ignored are the inherent economic deficiencies in the "reservoir" and "extension" concepts; ignored are the problems of repressurizing and reworking older wells which might be abandoned; ignored are the problems of uneconomical discovered reservoirs; ignored are the problems of deep drilling in current reservoirs. All these involve expensive technology that can bring in additional gas; but this gas will be lost by the Smith amendment.

The Smith amendment seems to assume that there is great danger, under even such deregulation as it allows, of unnecessary "infill" drilling; that is, drilling of new wells into dedicated reserves in order to gain a higher, deregulated price from such reserves. Perhaps an aversion to such drilling explains the reservoir and extension concepts found in the amendment. Yet, since the relevant reserves in this case are dedicated to the interstate pipeline—if not, they would automatically qualify under the (9) (a) definition—then, why would the pipeline permit the producer to drill an extraneous well simply in order to qualify for the new price to be paid by the pipe-

line? There is no reason for the pipeline to conspire in this manner and there is good reason, economically, for the pipeline to resist. Sometimes the fashioners of greater regulation forget that pipelines are purchasers, and, as purchasers, they wish to purchase at as low a price as possible. Further, pipelines, as regulated utilities, seek to expand markets—through low prices—in order to extend their capital base. By so doing they enlarge their income, but they can do so only by extending their capital base. If, however, incentives for unnecessary drilling do exist, why are "independent" exempt producers considered immune from temptation? The amendment passed here reflects a mental attitude in which it is considered more important to punish the major energy firms than it is to develop national policy that makes sense and that gets needed supplies to consumers.

An additional problem with the Smith amendment is that it addresses the problem of potential windfalls in an economically deficient manner. That gas which will not be produced because of the Smith modification of the new well/new contract criteria will result in a windfall loss to consumers. This windfall loss results from the higher cost of substitute fuels and production processes. That such costs are indeed higher than that of incremental gas lost under Smith is unassailable: If these substitutes were not priced higher, there would simply be no market for the gas that would be produced under the Krueger definitions but will not be produced under the Smith definitions. Unnecessary windfall losses to the consumer should be resisted as well as windfall profits to the producer.

The offshore windfall problem is recognized in both bills but treated differently. Windfall profits to the offshore producers who have already secured leases arise from previous windfall losses suffered by the American taxpayers. The billions of dollars of bonus money paid by major companies for offshore leases did not reflect the true value of our offshore resources, because of the low FPC prices. The American people lost potential revenues from offshore resources, because of uneconomically low FPC prices. Under both the Krueger and Smith amendments, holders of current leases will produce under regulated prices. However, under Smith language, future leases will be sold below their true market value. This transfer of income from all American citizens to large energy consumers should be seriously questioned. What would happen is that all citizens of the country will be subsidizing that part of the population that uses the most energy. Those who are concerned about tax loopholes should recognize that here we have a "price loophole" that acts in the same way: the many subsidize the few.

II. MARKET POWER: LARGE AND SMALL PRODUCERS

Monopoly practices did exist at the time of the Phillips decision in 1954—the decision that began the process of wellhead price controls. It has been proven in unchallenged economic studies that there was pipeline monopsony power in the early 1950's: pipelines forced producers to sell gas at subcompetitive prices. The rise in gas prices during the 1950's is generally attributed to an increase in competition driving the subcompetitive price to competitive levels.

Regulation forced many smaller firms out of the field markets so that concentration has increased in natural gas field markets. Offshore leasing practices also fostered higher concentration, because most independent producers lacked the capital to pay large bonuses to obtain leases, and lack the capital for offshore drilling.

Market power is central to the Smith price regulation rationale; that is, the Smith amendment assumes that certain producers have a sufficiently large share of the market to force prices upwards, beyond the price that would exist if proper competition operated. By definition, if such market power does not exist, then prices will be competitive and hence reasonable. If there is market power, we must examine its origins, its effect, and strategies to deal with it. The Smith amendment accepts the notion of market power and segregates producers by production volume—100 million cubic feet per year. Is this distinction economically efficient or simply politically expedient? Techniques for studying industrial organization provide a useful analytical framework for viewing market structure, conduct, and performance.

A. MARKET STRUCTURE

The Smith amendment maintains that firms producing above 100,000,000 mcf per year have market power and other firms do not. Structurally, a division can be discerned in the industry although this division is considerably above the 100,000,000 mcf mark. A careful investigation of the cost implications of scale and the empirical examination of firm structure and behavior yields a conceptual division of the industry into high and low cost sectors. The "low cost" firms appear to specialize in high-risk activities—lease acquisition, research, new technologies, deeper drilling, large geophysical staffs, et cetera—and have individual market shares, in specific field markets, averaging between 5 and 15 percent. The high-cost firms specialize in low-risk activities—easily sellable at determined market values—which employ drilling equipment and field workers, and have individual market shares of less than 1 percent. These two market elements complement the activities of one another in a manner that minimizes risk and maximizes production, just as a diversity of investor types and institutions stabilizes capital markets and minimizes risks.

The period of regulation has allowed us to identify which firms can be considered low-cost firms. Cost advantages accruing from access to capital, experience, and economies of scale allowed only the lower cost, high-risk firms to expand their market shares significantly during the regulatory cost/price squeeze. The period 1961–71 is useful for this investigation because intrastate and interstate prices were at relative parity. The three dominant individual field markets—West Texas/New Mexico, Texas Gulf Coast, and Southern and Offshore Louisiana—should be individually examined. Which firms were significantly able to expand their market shares, betraying possible low-cost tendencies?

First. In West Texas/New Mexico, Gulf, Exxon, and Shell substantially increased their market share while other shares remained relatively constant or insignificant. Overall concentration actually fell, because the largest producer in the region, Phillips, declined. Gulf, Exxon, and Shell collectively increased their share by approximately 10 percent.

Second. In the Texas Gulf region, only one firm was able to expand its market share significantly; Exxon boosted its market share with three huge new contracts.

Third. In the crucial Southern and Offshore Louisiana area, now supplying almost half of interstate production, all of the top eight producers increased their shares slightly with Exxon and Gulf increasing their shares significantly. Exxon and Gulf collectively increased their share by almost nine percent.

So, then, only Exxon, Gulf, and Shell appear to qualify as structurally different firms. This structural difference is due to production advantages such as risk-spreading. Two other top firms, Phillips and Amoco, could not expand their market shares. The other top 10 firms still have insignificant market shares which were only able to increase slightly. After the top 10 firms, shares shrink to an average of less than 1 percent in each field market.

This examination renders the 100,000,000 mcf level unreasonable. Exxon, Gulf, and Shell each produce more than 650,000,000 mcf per year in the interstate market alone. Amoco and Phillips, without strong market share expansion, are also above this threshold. Examining the top 12 firms, after which the market shares in both the national market and individual submarkets rapidly diminish to less than 1 percent, the cutoff would be approximately 250,000,000 mcf in the interstate market alone. Though these figures—based on FPC reports—include some sales made in association with other producers—due to FPC reporting regulations—they do not include intrastate market shares.

In summary, the industry includes firms of diverse size, thereby rationalizing the cost structure. While current distribution is not arbitrary, the 100,000,000 mcf threshold is. The restrictions on the production of firms unnecessarily included in the regulated producer group will easily outweigh any conceivable advantages from regulating the handful of truly low-cost firms.

B. MARKET CONDUCT

Even though the 100,000,000 mcf cutoff is not justified by market structure, is there a justification based on market behavior?

Studies of market conduct usually focus on pricing patterns. If some firms are able to charge higher prices than others for similar services, they must

have market power. To a large extent, field price controls have obscured market conduct patterns. However, even under regulation, average interstate prices do vary among firms, as can be seen by studying the annual FPC reports on sales of gas by producers to interstate pipelines. An analysis of FPC average interstate prices by firm statistics reveals that the top 5, top 10, top 25 firms all sell their interstate natural gas at or below the national average price—except for the Canadian firms selling at much higher than the average price. In contrast, many of the smaller producers sell at prices in excess of the national average. The Smith amendment, to the extent that it was successful, would cause an accentuation of this pattern, and all consumers would be subsidizing the independent producers in order to punish the major firms: Congress should surely be able to devise better legislation than that.

The Smith amendment also discourages joint ventures by restricting severely the circumstances under which joint ventures between majors and independents would be profitable. Major firms cannot have an interest larger than 20 percent without bringing the venture under FPC field price regulation. This punitive and irrational approach will discourage many ventures.

Although some proponents of the market power contention believe that joint ventures can result in unsatisfactory market conduct, economic studies indicate that joint ventures minimize risk and maximize capital investment rather than restrict production. Joint ventures are a tool by which medium-size companies can sometimes afford to engage in offshore activity. Significantly, only Exxon has been able generally to "go it alone" in offshore bids. If anything, joint ventures would tend to impede collusion, because such collusion would involve cooperation among many actors. Many firms would have to conspire and risk lease forfeiture.

Offshore leasing policies have caused higher levels of producer concentration. These policies sought to increase public revenues by offering large tracts and requiring large bonus bids instead of high royalties. Had the Government put less emphasis upon large lease bonuses, and more on royalty payments, independent producers—who have less cash—would have been better able to compete offshore. Market conduct should be carefully examined offshore; if abuses are discovered, new leasing policies and strict enforcement of Department of Interior regulations should be pursued.

A primary aspect of market conduct, induced by the uncertainties causing the low-risk/high-risk structural dichotomy previously mentioned, is the prevalent use of farm-out arrangements. In a farm-out arrangement, the major firm provides the geological and geophysical data, the lease, and part of the financing—dry-hole money—while the smaller firm provides the drilling equipment and manpower; proceeds are divided. This arrangement minimizes the risk exposure of smaller firms and allows them to exploit their operational advantages. The constant competition among all firms seeking the best arrangements in any given opportunity insures a highly competitive environment. Specialized skills are best exploited in this manner. The Smith amendments' restriction on the scope of these activities, a 20-percent limit on major firm interests, will distort optimum productivity mixes; economically, the problem is similar to that which would be caused by arbitrary limits on the constitution of investment portfolios. Major firms would be inclined to farm out only their least productive properties; dry-hole moneys will be reduced to the extent that major firm participation in revenues is restricted. The data obtained from farm-out drilling, a major source of small producer exploratory information, will be reduced.

In summary, there is little justification for the extension of regulation under the Smith amendment. Its presumptions of uncompetitive market conduct are not supported by the facts of the industry.

C. MARKET PERFORMANCE

The market performance question is one of appraisal from the perspective of broad public policy goals. It requires an evaluation of the net impact of the market structure alternatives.

Clearly, the Smith amendment would tend to restructure the natural gas producing industry. Some valuable functions of scale—specialization in research overhead, geological and geophysical information, lease acquisition in frontier areas, deep drilling—will be distorted. The Census of Mineral Industries indicates that the minor and independent producers who account for 40 percent of total production, drill, on average, to depths only half as great as those of the top producers; since their wells are shallower, their costs per foot average only 60 percent of that of the major producers. The largest producers, however, consistently account for the new, large discoveries.

These major firms will undoubtedly reduce their exploration and production activities if the Smith amendment becomes law. Royalty owners will naturally be inclined to lease the exempt firms, because the discounted present value of leases to these firms, and therefore the bonuses offered by these firms, will rise. Exempt firms will be able to pay more for drilling equipment and trained manpower than will regulated firms.

Further, exempt firms can be expected to reduce their exploratory budgets once they begin to reach the 100 million cubic foot threshold, since if they exceed that point, they will suddenly have to renegotiate their contracts and come under price controls. Anyone expecting commonsense legislation will be searching for a rational justification and will find only a political one. In theory, new forms of consortia should develop among exempt firms. Yet, except for coordination problems and an inability to muster a secure technological overhead—now provided by major companies—these joint ventures will function as do current ones.

Thousands of natural gas producers already exist. There is scant reason to expect that discriminatory legislation will increase competition. These is a diversity of producer scale—large-scale producers have not arisen by flat or conspiracy—they fulfill a vital functional role. The real meaning of the Smith approach resides in the symbolic significance which it attaches to small firms. If the beauty of smallness which it presupposes is correct, similar statutory treatment of all industries should be forthcoming. In any case, the symbol is somewhat ludicrous. Current regulations already exempt extremely small producers and 100 million cubic foot per year is hardly a Jeffersonian ideal. If a symbol is desired, all the consequences of valuing that symbol should be examined.

III. THE SMITH NEW REGULATED GAS COST CRITERIA: PROSPECTIVE COSTS AND REASONABLE RETURN

The new section 24(a)(2) offered in section 8 of the Smith amendment defines two general criteria which the Commission shall take into account in establishing the national ceiling for regulated new natural gas. In establishing such national ceiling price, the Commission shall take into account the following:

(A) the recovery of costs, including prospective costs; and

(B) a reasonable rate of return which will provide incentive adequate to attract capital investment and to provide incentive for further exploration for, development of, and production of, new natural gas.

A. OPPORTUNITY COSTS VERSUS ACCOUNTING COSTS

The economically relevant costs are opportunity costs and not accounting costs. Market prices reflect these opportunity costs—producers will be able to incur and recover costs up to that level where the costs plus normal profit—capital costs plus risk premium—equal the price of substitute commodities. Competition insures this result.

Accounting costs are simply production expenditures. While these production expenditures may be adequate for some utility regulation, they are insufficient guides for new gas pricing.

First. If higher wellhead prices are allowed for natural gas, costs of exploration will also rise because there will be deeper drilling, drilling in frontier areas, new technologies, and so forth. So, in determining what are reasonable prospective costs, one must have a prior notion of what price, and hence what level of supply response, one seeks. This, of course, leads to a circular and irrational reasoning process that is avoided in the market where the supply/demand, price, and cost problems are simultaneously solved in the most efficient manner. The price criteria in the Smith amendment do not specify what are reasonable prospective cost and supply levels. Thus, FPC guessing and gambling, based on the evidentiary rules that have come to define costs in the utility industry, will probably be employed. Used in conjunction with a criterion that supply should equal demand, the prospective cost criteria can be helpful; of themselves, they are not.

Second. The major purpose of exploratory drilling is to improve estimates of the cost of economically developing a gas or oil field. Hundreds of so-called expendable wells are drilled solely for cost information. Cost estimates change daily, from region to region, from depth to depth, and so forth. Administratively, no bureaucracy can cope with this variety of costs. Once price ceilings are set, the FPC automatically inhibits this informational function of drilling if the regulated prices are less than the market prices.

The Smith amendment seeks, in section 24(a)(3) to offer exemptions for especially high-cost wells; however, the exemption is unworkable. Different prices will have to be set for each well depth. Where the dry holes/producing wells ratio is high, higher prices will be warranted. Each new frontier will beg a new price. The case-by-case cost determination procedure has already been tried and rejected. The FPC tried this method from 1954 to 1961, but concluded that even if their staff were to be tripled it would take until the year 2043 to clear its existing case backlog.

B. REASONABLE RATE OF RETURN: REASONABLENESS DEPENDS ON WHERE YOU WANT TO GO

A "reasonable rate of return" is mandated by the Smith amendment that would "provide incentive adequate to attract capital investment and to provide incentive for further exploration for, development of, and production of, new natural gas." The question is, of course: How much capital investment? And how far is "further"?

A third cost criterion could help answer these questions. An optimum level of exploration, development, and production would, first, provide for an equality of supply and demand so that consumers would not suffer windfall losses, and second, provide for a maintenance of reserve levels so that future consumers would not be penalized by current consumers. An additional proviso can be added to insure the avoidance of windfall monopoly returns: A lower price price would be reasonable in an instance where a producer could, by restriction of production—if this is legally possible—significantly raise his profits.

IV. EXTENSION OF CONTROLS INTO INTRASTATE MARKETS

Extension of artificially low, submarket pricing into the intrastate market reduces production and hence results in consumer windfall losses from unnecessary substitutions.

Proponents of the Smith amendment tend to claim that the extent of the FPC regulation will remain basically the same due to the small producer exemption—25 to 30 percent of total production—balanced by the intrastate extension—75 percent of the 40 percent intrastate market share. This distorts the picture and ignores the fact that current new onshore discoveries are almost totally encouraged by and dedicated to the intrastate market. Since the post-1972 rise in intrastate natural gas prices, the great bulk of signficant new gas discoveries—as reported by the American Association of Petroleum Geologists—have entered the intrastate market; the post-1972 rise in drilling was in direct response to high intrastate prices. So it is fair to say that new discoveries will be discouraged relative to the status quo, because of intrastate regulation.

One must also question the consumer welfare basis of intrastate control. The essence of consumer welfare is a wide range of consumer choice. Consumers in the intrastate markets have chosen the market system. Any residential or industrial consumer who prefers this system can reside in those States; any who do not can leave. Instead of limiting intrastate alternatives, it makes sense to expand interstate alternatives by giving consumers facing the curtailments the choices of substitution or higher priced new gas.

V. CONCLUSION: UNANSWERED QUESTIONS, NET IMPACT

A. UNANSWERED QUESTIONS

One. There are uncertainties generated by interpretation of the language which, until clarified, may result in great difficulties. Though sufficient legal grounds exist for some hypothetical small and large producer discrimination, such discrimination can not be arbitrary. Economically speaking, we have seen that the 100 million cubic feet threshhold cannot be justified by unique structural characteristics or market power manifest in market conduct. There is absolutely no discernable discontinuity between firms immediately above and below this threshold. Moreover, the Smith amendment has no legislative history—the rationale for the 100 million cubic feet figure cannot be found in committee or floor proceedings. The Court of Appeals in overturning Order No. 428, *Texaco* v. *F.P.C.* 474 F.2d 416, 430–431 (D.C. Cir., 1972) allowed for the possibility of price discrimination based on special problems and practices of small producers. Again, where is the discontinuity? While the courts have striven to maintain the classes of small firms as competitors, there are, after all, thousands of such firms extant today. Though the courts might uphold the Smith discrimination, it is doubtful that it will escape prolonged litigation. Such litigation would deter any immediate small producer from responding to the Smith incentives, given the highly sensitive venture capital on which these firms rely.

Second. How is one to explain to a consumer that he cannot get gas, because his pipeline reserves are controlled by a major company? How is one to explain to a consumer that his prices are higher, because of the size of the producing firm? How is one to determine which gas can be obtained by which pipeline? Do such practices result in the most efficient allocation of resources? Is conservation enhanced?

B. NET IMPACT

Whether or not the Smith amendment will result in a slight net improvement or loss relative to the status quo is an empirical question contingent on the following variables:

The workability of the old/new gas definitions and the extent of the deviation from economic reality.

The relative balance of windfall gains and windfall losses to the consumer resulting from the ability to continue old gas production versus the inability to obtain new gas from dedicated fields not exempted under the new gas definition.

The extent of the negative impact of the industrial restructuring. The extent of the decrease in research and technological overhead, frontier lease acquisition, et cetera. The disruption of conventional complementary production arrangements between large and small firms.

The actual new gas prices emerging from the new pricing criteria. The extent to which such prices will seek to balance supply and demand and increase reserve levels. The workability of the special prices allowed for high cost and risky production.

The net negative impact of the intrastate extension on new discoveries balanced by the positive impact of the independent exemption. The disruption of producing-State economies and the macroeconomic impact of such disruption.

The efficiency of allocation resulting from such a multplicity of prices and the result of the inevitable litigation with respect to the producer discrimination.

We are being asked to trade in an old car that leaks gas and will not run for an attractive new sportscar that leaks gas and breaks down after the first mile. There should be no sympathy for the old vehicle and no illusions about the new one.

NORTH CAROLINA DRAMATIST, PAUL GREEN, HONORED

HON. CHARLES ROSE III

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. ROSE. Mr. Speaker, on Thursday, February 26, I participated in North Carolina's bicentennial celebration. The Cumberland County Bicentennial Commission in Fayetteville sponsored a series of activities commemorating the mustering and the marching of the Highland Scots and the Patriots, commanded by Col. Robert Rowan, on the day before the Battle of Moore's Creek Bridge.

The Scottish highlanders and citizens loyal to the British Crown were to join forces with British troops and crush the Revolution in the South. But, the Patriots intercepted the Loyalists at Moore's Creek Bridge and defeated them.

Following this historic commemoration of the mustering and marching out of the troops, I was privileged to attend a presentation of Paul Green's "The Highland Call," a play about this historic battle at Moore's Creek.

PAUL GREEN HONORED

Mr. Speaker, it is not possible for me to list all of Mr. Green's achievements. Since 1920 he has written and produced 68 plays and dramas, 11 screenplays for films, 8 novels, and 6 books of poetry.

In addition to writing "The Lost Colony," "The Common Glory," and

"The Highland Call," he has written seven State bicentennial dramas which are in production, and he is currently working on two others for Maryland and Texas.

A Pulitzer Prize winner—"In Abraham's Bosom"—he has served as president of the National Folk Festival, president of the National Theater Conference, a member of the National Institute of Arts and Letters, a member of the Executive Commission of the U.S. National Committee for UNESCO, a delegate to the UNESCO Conference in Paris, and a member of the Board of Directors of the American National Theater Association.

Mr. Green has received a number of awards, among them the North Carolina Achievement Award, the University of North Carolina Distinguished Alumnus Designation, the 1974 Citation for Distinguished Career in the Theater, from the National Theater Conference, as well as six honorary university degrees.

The Honorable James E. Holshouser, Governor of North Carolina, presented Mr. Green with a Distinguished Citizen's Award on Thursday evening prior to the Fayetteville Little Theater production of "The Highland Call."

THE HIGHLAND CALL

The play is a symphonic dramatization of the battle for independence in the Cape Fear Valley. The Highland Scots, seeking peace and the good life along the river, become embroiled in the battle against their king.

Flora McDonald, the legendary Scottish heroine, along with her family and fellow Scots, seeks to avoid a violent clash with rebellious friends and neighbors who are fighting for freedom. Up and down the Cape Fear River, families struggle with the decision of whether or not to join the Patriots or remain loyal to the King. The tension and the breaking of old loyalties is evident in the play as friendships sever and families split over the coming war for independence. The clash at Moore's Creek occurs when those Scots who choose to support the British, march south toward the coast en route to join British forces there. The Patriots soundly defeat them.

Paul Green wrote "The Highland Call" for Fayetteville in 1939 to recognize the 150th anniversary of the ratification of the U.S. Constitution which occurred there. It is one of his favorite dramas since it takes place in the area settled by his forebearers. It was particularly appropriate for North Carolina's first Bicentennial event since it dealt with one of the major battles of the American Revolution.

Mr. Speaker, I wish to pay tribute to Paul Green. He has served his State and his country well through the past 56 years as he has recorded and dramatized not only where we have been, but who we have been. I am pleased that the Cumberland County delegation to the North Carolina legislature will introduce a bill to make Paul Green the Dramatist Laureate of the State of North Carolina. At this time of celebration for who we were 200 years ago, it is also fitting that we should celebrate and recognize those who are making important contributions today. Paul Green is surely one of the most notable citizens of these United States of America.

ENERGY-SHORT EUROPE PONDERS RESOURCES, SYSTEMS SHARING

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. ULLMAN. Mr. Speaker, the article which follows is from the Sunday Oregonian Forum, Portland, of February 15, 1976. It is the first in a series concerning problems and alternative solutions to them that confront every one of us. I hope Members will find it as useful and informative as I do:

ENERGY-SHORT EUROPE PONDERS RESOURCES, SYSTEMS SHARING TO MEET EVER-GROWING NEEDS OF POWER-THIRSTY HUMANITY

(By Forrest E. and John W. Rieke)

This Nation is struggling with energy problems of immense size and complexity—a dilemma shared with other industrialized nations, all facing energy uncertainties of the future.

Citizens and governments throughout the world are engaged in a debate on available choices of energy systems, such as fossil, geologic, nuclear or solar. Sharp differences are expressed on the amount of energy required and the safety and feasibility of alternative resources.

Paramount in the minds of those entrusted with energy planning is this: Will there be enough energy to fuel the voracious factories, transport systems, communities and mechanized farms?

Advocates of one energy form or another seem polarized, often on single issues; they speak for growth or no growth, limitation of population, conservation, or a single energy source. And discussion, often, has been laced with fear or exaggeration by special interests.

During our visit to Western Europe to study energy systems, it became obvious that whatever energy solutions the world chooses, the United States will be implicated. All those interviewed agreed that the outcome of the great energy debate will strongly affect America's economic patterns, lifestyles, health and relations with other nations.

Energy debaters are frustrated by issues that span centuries, involve rich and poor nations throughout the world, and subsume a diverse array of highly technical fuel systems.

It is clear that Western Europe has made its choice, though the debate may continue elsewhere. All of the small industrialized countries in Western Europe have embraced nuclear technology without flinching and have undertaken management of the associated environmental problems.

Lessons learned by small nations in the European community are relevant to pending U.S. decisions. For most of the years since World War II, these countries have lived with scarce resources and energy. Lean plans and unpalatable alternatives have been accepted as the price of survival.

Boundaries and political enmities have been submerged in favor of cooperation, resource pooling and, to some extent, research sharing. These nations have combined money and talents in joint planning, research and technical development. Systems of communication, transport and power transmission have been integrated.

Our visit to Western Europe last fall is an extension of a similar 1972 trip in which we examined health and environmental aspects of coal and nuclear power generation in the United Kingdom. We returned to this task burdened with several assumptions:

That equitable sharing of energy supplies is needed because some countries have the advantage of great rivers, constant sunshine or large supplies of oil or coal, while others are chronically starved for energy.

That even with the best conservation practices, nuclear, solar and other substitutes for fossil fuels will be needed due to the gradual depletion of accessible fuels and increasing world energy demands.

That a reduction in the use of energy will trigger explosive changes in habitat, transport and social configurations. The United States has thrived on change, but social metamorphosis has been spread over many decades. An open society can alter an energy intensive system, but it will require unusual understanding and self-discipline by the public, and time.

That U.S. decisions on energy await a national consensus on the level of personal consumption, modes of travel, the extent of mechanization and acceptable environmental damage. Only within such parameters can appropriate energy plans be defined.

But the choice is not wholly ours. U.S. options are tied to decisions in developing nations that expect to receive a much larger share of energy and its concomitant food and labor-saving machines. We shall have to share and probably do with less.

That human health, comfort and progress are affected by the availability or shortage of energy. These are powerful motivators; wars have been fought over supplies of energy and peace is more certain if energy can be equitably shared between nations.

With these assumptions in mind, we visited England, Scotland, Belgium, France, Switzerland and West Germany, focusing our inquiry on the following items:

Anticipated energy resources; formulation of national energy policy; plans for the acquisition and use of fossil and nuclear fuels; production and management of nuclear fuel and reactor products; safety and safeguards for new reactor systems, for plutonium and other transuranic elements; and cooperation between nations in resolution of world-wide problems of fuel management and environmental protection.

What we learned, at nuclear, research and educational centers, newspapers, associations and government offices, is that each nation in the European community shares common energy denominators. Following are some overview observations:

Each nation in Western Europe suffers in differing ways from rapid, unanticipated escalation of the cost of energy. Impact of OPEC (Organization of Petroleum Exporting Countries) actions in 1973 has been profound, but muted by two successive mild winters and depressed industrial demand.

In face of scarce indigenous fuel and soaring fuel prices, each of these nations has turned to nuclear power generation as an alternative source of energy.

There are 29 operable power reactors in the United Kingdom, 10 more in France, 3 in Switzerland, and 6 in West Germany, with several dozen more under construction or on order. The nuclear commitment is irrevocable.

Based on their experience and research, these countries assert that radioactive fuel wastes and reactor products, such as plutonium, are and will continue to be managed safely. Radioactive debris and fuel wastes are in long-term storage; studies are underway to determine the best mode of solidification and site for permanent storage.

Singly and in combinations, the U.K., France and Germany anticipate profitable business in the manufacture and reprocess-

ing of nuclear fuel. Their commitment, then, to the nuclear alternative is not only one of increasing energy supplies for themselves, but also one of marketing nuclear techology to others as a money-producing export.

Breeder reactors and high converter reactors are considered essential "next steps" in the development of a nuclear-based economy. Uranium ores and enriched uranium are costly and finite; fuel stocks of plutonium and residual uranium-238 are relatively abundant, so each nation is moving quickly toward development of the breeder which uses those elements as fuel.

Breeder reactors, either developmental or in prototype, are operating in the U.K., France and West Germany (as well as in the United States). Each of these nations is sharing symbiotically in technical developments, in metallurgy, fuels, engineering and validation of safety standards. But the Europeans are counting heavily on access to continuing large scale nuclear research in U.S. laboratories and are somewhat troubled by increasing delays and slippages in the U.S. breeder program.

There is sharing of research and development among nations, but there is also intense competition between them for a share of the world market in reactor technology and components. For most of these European nations, substantial sales of nuclear hardware and technology could mean an economic windfall that could significantly improve their balance of payments position.

Within the European Economic Community and sub-groups, multinational corporations and agreements have emerged to permit costly nuclear development. These "consortiums" have been formed to pool money and technology for the production and reprocessing of fuel, development of new types of reactors and integration of power systems.

In spite of limited resources, each nation has committed impressive sums of capital to research and development of advanced nuclear technology—a spending priority at least proportionate to our (the U.S.'s) own nuclear-related emphasis as seen in the annual Energy Research and Development Administration (ERDA) budget.

Scientists, engineers and administrators, both governmental and corporate, are in close touch with the official U.S. nuclear establishment and U.S. private industry. Many European leaders and technicians participated in the Manhattan Project or were trained in U.S. nuclear centers. European reliance on U.S. nuclear expertise was readily seen.

Under heavy economic pressure, each European nation has established a top-level board, special commission or ministerial task force to review energy resources and utilization, relative to population growth, employment needs, environmental effects and total economic impact of project development. Deadlines are short. There is a sense of urgency that is missing in the United States.

In administering and governing nuclear research and power production, authorities and agencies of several European countries accept parameters set by international bodies, such as the International Atomic Energy Agency, an arm of the United Nations.

Tightened security is in vogue for pipelines, transport systems and fuel centers, forced by political unrest and efforts to sabotage.

One nation (Germany) is examining feasibility of a single site for breeder reactors, fuel production, fuel reprocessing and subsurface storage of solidified nuclear wastes.

Opponents to nuclear power have a small, but growing influence in each nation on licensing, decision-making and the rate of growth of nuclear power. Within governments and the nuclear industry, these anti-nuclear groups are considered an "undesired U.S. export."

Barriers between historical rivals have been lowered by attempts to solve shared energy problems. Prolonged dialogue and mutual interdependence in governing nuclear energy systems has created a genuine community of interests in Western Europe.

Steadily growing nuclear industries of Europe, Japan and elsewhere have addressed their own energy needs and have turned eagerly to manufacture and sale of entire nuclear systems to many other nations.

These vendor nations have ruptured constraints on nuclear proliferation. They have agreements with purchasers which interdict diversion of reactor products to military purposes. In the present climate of commercial expansion, however, these "agreements" have little or no significance.

The U.S. government must continue to search for an international system of shared management of reactor fuels, radioactive wastes and nuclear weapons. Future generations of reactors will produce products which must be successfully managed; technology exists from such management, according to Western European scientists, but political determination to enforce security measures is not in evidence.

Doubts are encountered among research leaders that fusion power generation will prove economically workable. These doubts, combined with recent successes in breeder prototypes, strengthen the commitment in Western Europe for the breeder alternative.

COMMUNITY BASED HIGHER EDUCATION

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mrs. LLOYD of Tennessee. Mr. Speaker, Dr. Ann Ackourey, executive director of Cumberland College in Lebanon, Tenn., recently addressed the annual meeting of the National Council of Independent Junior Colleges. Dr. Ackourey's statement is a thoughtful and penetrating analysis of the future of education, particularly the role and importance of community based higher education. I believe my colleagues will find much to think about in Dr. Ackourey's words:

THE OPEN CURRICULUM: A FUTURIST VIEW TO PERFORMANCE-ORIENTED AND COMMUNITY-BASED EDUCATION

We are halfway between World War II and the beginning of the 21st century. Society is undergoing change at an incredible rate. The amount of technical information available doubles every sixty years. One hundred thousand magazines are published annually in sixty languages, and the number has doubled in the last ten years. Ninety per cent of all scientists who have ever lived are now living. The physical-social-psychological conditions of life—especially in industrial societies—change markedly every decade or less. This headlong acceleration of change has taken a greater toll of education than most people realize. These are some of the trends of today that are affecting us now and will most likely affect our future as two-year colleges. As Rilke once said, "The future enters into us in order to transform itself in us long before it happens."

According to the report of the Carnegie Commission, "Purposes and Performance of Higher Education in the United States: Approaching the Year 2000," too many functions have been taken on by those in higher education. Consequently, the effective development and operation of academic programs have often been bungled. Many of us who work in the two-year college also recognize that 19-century curricula, classrooms, teaching staff patterns, and organizational structures are simply not appropriate to current or to future demands and situations. With the potential market for higher education hovering around 104 million persons aged 18 to 60, it is clear that they do not and will not provide the types of learning experiences that tomorrow's student needs to meet. If we do not do something about this situation we could very well be faced with future decreases in enrollment. The Task Force of the National Council of Independent Colleges and Universities, for example, claims the number of students over a nine year period in fourteen states has decreased markedly.

According to our best known futurists such as Robert Theobald, Herman Kahn, Dan Bell, and Alvin Toffler, several societal considerations need to be made right now by us in our two-year colleges. These include the rise of the:

1. service economy.
2. knowledge society.
3. impact of political power.
4. leisure ethic.

In actuality, these imply that society now and one prepared for the future will demand as sustained effort at individual skills renewal and intellectual reorientation. The decisions of commerce and industry have and will continue to have a greater impact than any other American institution. By the year 2000 the socio-economic profile of each central city will be much closer to that of its metro area than is the case today. And only ten percent of the work force will be growing and manufacturing all the goods produced by our national economy. Most of our society will be engaged in service activity rather than factory production. We will be affected by what Toffler calls the "eco-spasm"—an economic and ecological upset. We will be undergoing more education and will have more leisure. And as a result of the service, knowledge society, political power, and leisure ethic trends, the time will come when our colleges working with society will not permit the misuse or abuse of our land, water, air, and mineral resources.

Many books have been published about future trends for the two-year college. In the main, these have stated that colleges will tie plansite classrooms to televised instruction originating on the campus and will make available audio-video tape instruction or computer instruction on relevant subjects for the community. Apprenticeship, internship, and in-service training will be used more widely than today. Learning pavillions will be designed and operated to encourage and facilitate independent adult learning, and these will be developed in urban centers and in areas that are far removed from colleges. Public libraries and museums will become central sources for guidance and independent study to meet the objectives of the college.

Since accepted facts of one era even one decade, then, usually become outgrown misconceptions in the following one, the student's first and most important step will be to learn how to be self-directing in the areas and subjects he has chosen. He will learn to locate problems, pose questions about them, collect data, formulate and test hypotheses—much like the scientist and historian. Basically, the development of these skills is what the Open Curriculum is all about. It replaces the "delivery service" provided by traditional educators with a laboratory designed to stimulate experimental discovery of new dimensions of knowledge and experience. The Open Curriculum aims to help a student start his own probing for patterns in experience and principles of organization which will have a universal application. The concept of deferred satisfaction, a cherished middle-class

tenet that stipulates that education prepares one for the future, is very much in question today. For many it has failed to produce the "good life" in terms of vocational opportunity and life style. The Open Curriculum not to be confused with the Open Classroom will have some of the following characteristics:

1. Community facilities and resources will be used in the college's services. Programs will be made available in industrial plants, churches, business establishments as well as in college classrooms.

2. The two-year college will serve as "broker" in seeing to it that identified post-secondary educational needs will be met either through its services or other appropriate institutions.

3. Since half our population will be fifty years old or older by the year 2000, college programs will be performance-oriented. Retirees will become a potentially powerful gerontocracy. Frequent entry and exit points will be required. The student will be expected to move into and out of the college or institution as he has needs and opportunities. Higher education will be recognized not as a task to be completed but a process to be continued.

The Open Curriculum model to be effective, then, requires the efforts of all three college components: the student, the faculty member, and the administrator. These must be more functionally interrelated than they typically are now and focused continuously and realistically on current social realities. As David Riesman wrote in "Education in the Age of Science," "We try to bring together and connect things that are often kept apart, whether these be disciplines of orders of data or methodical ways of thinking."

Let's look at some of these futurist views as they affect the student, the faculty, and the administrator. What are the implications of the Open Curriculum for the student? In terms of flexibility, he will be able to identify and freely choose the kinds of learning that seem to make sense because of their relations to what he already knows or wants to know. The question is not one of authority; when educators give up authority, the student's freedom is not necessarily increased. Freedom of choice is not motion in a vacuum—it is motion in a continuum.

He will become adept at using reference books, periodicals, paperbacks, old textbooks, new ones, cassette recorders, head phones, opaque projectors, filmstrips, filmstrip projectors, slides, slide projectors, screens, maps, video tapes, to name some. The student will be responsible for meeting certain stated criteria for mastering a subject, as opposed to the traditional method of information exchange and testing for understanding of that information.

What, then, are the implications of the individualization and flexibility of this kind of curriculum for the student's professor? The professor who is not satisfied with the way the student is learning will put less emphasis on what the department chairman, dean, and president want the student to know, and will try to find out what the student himself wants to know. A teacher entrusted with the responsibility of teaching will not permit grades, reading speed, standardized tests, quizzes, final examinations, percentiles, schedules, memoranda, fifty-minute periods, or assigned books to computerize, standardize, compartmentalize, or mesmerize him. He will rely solely on where the indices place the student; he will be concerned with finding out where the student's personal time and place and thinking are.

More specifically, he will see to it that the activities and experiences mutually planned by him and the student are executed well. He will identify the blocks and values of the student so as to get past his defenses and be able to communicate with him on several levels. His directions, explanations, and demonstrations will exhibit a sound philosophy of order and structure. His method for assigning students to groups will be based on the social backgrounds of the students, identified student problems, and variations in student abilities.

As the student demonstrates his readiness, the faculty member will introduce the self-management phase of his learning. He will review student progress in terms of a linear curriculum and administer the evaluation system flexibly and individually, so as to encourage each student's strengths, his individual development of skill or understanding. Finally, he will be a facilitator or learning companion instead of a learning director but will still maintain control by virtue of his role as a guide, advisor, listener, and resource person.

Kahlil Gibran in "The Prophet" summarized these points when he wrote: "If he (teacher) is indeed wise, he does not bid you enter the house of his wisdom, but rather lead you to the threshold of your own mind."

Now, where does the administrator fit into this futurist plan? His role is that of a substantive planner. His basic job will be to provide the conditions—physical, fiscal, and institutional—which will permit and encourage teachers and students to cope with change and to renew themselves as always, personally and professionally. The Newman Report, "Report on Higher Education," the Worth Commission Report on Education, "A Choice of Futures," and documents from various UNESCO meetings suggest the key part the administrator plays in an effective academic program.

The administrator will be one who balances the numbers and the quality of those numbers, whether they refer to class size, student-faculty ratios, classroom utilization, student credit hours produced, or cost per unit. He will help to establish college priorities by re-assessing fundamental college goals and reviewing strategic and tactical planning decisions. He will link the college's plans to the surrounding community, the feeder school system, and other colleges and universities. He will involve to a greater degree students, faculty, and the community in resource management decisions. He will educate citizens of his state that the two-year college saves the taxpayer money by reviewing public policy to expand state-supported institutions while two-year college facilities lie underutilized. His overall aim will be to bring about a dynamic, self-renewing, two-year college.

"he administrator, then, will be an enthusiast—one whom B. C. Forbes describes as a "man consumed with earnestness of purpose, with confidence in his powers, and the worthwhileness of his endeavor." To that he adds, "Enthusiasm is the electric current which keeps the engine of life going at top speed."

The Open Curriculum, then, is flexible; it is based on team work—students, faculty, administrators, and staff all working together to gain mutually determined objectives. Its success will not depend on any specific structure of bricks and mortar or on a complex table of organization. It will be adaptable to either traditional or "newer" patterns. The cost will be no more; instead of new college facilities, facilities on site are or will be used. No additional faculty will be needed since regular faculty will be reassigned from their home base and by personnel from community-based institutions.

A community or junior college that elects the Open Curriculum is a place in search of reasonable means to adapt to future changes for a better society. Most importantly, the student is guided by individuals who are people-oriented; he is not just processed through a system girded by bureaucratic structuring. Structure is not sacred; people are.

In conclusion, the principles underlying the Open Curriculum as a futurist's view to performance-oriented and community-based education suggest answers to some important questions:

Who is a student? A human being, not an instrument.

Who is a professor? A facilitator of learning, not a manipulator of fact-finding.

Who is an administrator? A master of teaching, not a master of teachers.

What is learning? A life-long journey, not a one-stop destination.

What is discovery? Questioning the answers, not merely answering the questions.

What is the process? Discovering ideas, implementing values, not only covering theory and principles.

What is the goal? To open minds, not to close issues.

What is the test? Searching, discovering, being and becoming, not just looking, answering, viewing, and reviewing.

And the two-year college? A place in which all of us work and respect each other to make it what we want it to be!

CUTBACK IN KOREA FOUND TOO RISKY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. DERWINSKI. Mr. Speaker, some of our colleagues have been pressing for years for various amendments to our military assistance bills which would withdraw our troops from the Republic of Korea at this critical juncture. I have opposed such moves in the past since I believe our troops there are essential to preserving the peace on the Korean peninsula. I would like to call to the attention of our colleagues, a new book entitled "Defense and Deterrence in Korea," by Ralph N. Clough, professor of international relations at American University. This study was published by the Brookings Institution, a Washington "think tank" well-known for its generally liberal views on public policy questions.

A summary of Professor Clough's conclusions was recently published in the February 13 issue of the Washington Star. I should like to insert this article in the RECORD at this time and urge all of our colleagues interested in our national defense to read it:

CUTBACK IN KOREA FOUND TOO RISKY

(By Vernon A. Guidry, Jr.)

With the fall of Indochina and the withdrawal of most U.S. forces from Thailand, the approximately 40,000 U.S. servicemen in South Korea make up the last substantial U.S. military presence on the Asian mainland Is it ripe for a reduction?

A study of the issue finds little sentiment in Washington for cutting back on U.S. troops in Korea and, according to analyst Ralph N. Clough, there are good reasons for that.

The study was conducted for the Brookings Institution by Clough, a Brookings consultant who is professor of international relations at American University.

"Because the consequence of renewed conflict in Korea would be so serious, the United States should avoid taking actions that would weaken the deterrent to a North Korean attack," Clough wrote. "No U.S. forces should

be withdrawn unless there are good grounds for confidence that South Korean forces plus a credible U.S. determination to intervene militarily will continue to deter (North Korean Premier) Kim Il-sung, as they have for over 20 years."

As Clough points out, the main justification for maintaining the army's Second Division and a U.S. tactical air wing in South Korea is to reassure Japan of the U.S. commitment to maintaining peace on the Korean peninsula.

"No matter how vigorously the United States argues that (its) withdrawals did not significantly affect the military balance in Korea, it would probably be impossible to blunt the political impact," Clough writes.

Withdrawals now, Clough continued, "would increase the risk of an attack on South Korea by North Korea and cause many more Japanese than in the past to seriously consider alternatives to reliance on the U.S. security commitment.

"This danger appears to be generally recognized in Washington," the study reads. "Pressure in Congress for an early reduction of U.S. forces in both Europe and Northeast Asia has slackened. It seems widely accepted that time is needed to evaluate the effect of developments in Indochina on the global position of the United States before deciding whether it is advisable to further weaken the U.S. military position overseas."

South Korean President Chung Hee Park has said he expects South Korea to be militarily self sufficient in four to five years. Clough proposes that the United States maintain the forces it now has in Korea for at least two years. After that, he continues, planned reductions in U.S. ground forces could be made after consultation with "South Korea and Japan."

Even at that, Clough recommends that U.S. air power remain in South Korea until tensions have been so sharply reduced that neither the government in the South nor Japan feels a U.S. presence is necessary.

"There is no satisfactory substitute for a significant U.S. combat force stationed in Korea as an earnest of U.S. intentions," Clough maintains.

The question of U.S. tactical nuclear warheads on the peninsula is another matter, however.

"Tactical nuclear weapons were introduced into South Korea when a combined Chinese-North Korean attack seemed a possibility," Clough says.

"At present, however, when the possibility of direct Chinese military intervention is discounted, the need for a tactical nuclear weapon against North Korean forces fighting alone is questionable."

Clough acknowledges that domestic American support for a policy of continued U.S. military presence will depend in part on easing of the oppression of human rights in South Korea.

BEA SOLOMON'S BICENTENNIAL SALUTE

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. WALSH. Mr. Speaker, one of the purposes of the Bicentennial celebration is to look back and study the history of this great country. However, that is not the only purpose for the observance of our Nation's 200th birthday, because one of the things Americans should also do this year is look ahead to the future.

What is in store for this, the greatest and most highly technological country in the world?

What can we expect from the coming years?

Bea Solomon, president of the Syracuse Symphony Opera Club, has put into words and music the feelings of many Americans during this Bicentennial Year about the future. The song she has written, entitled "What Will They Say?" is the theme of "An American Birthday Party," a day-long event celebrating the Bicentennial to be held in Syracuse in the spring. The presentation will trace the involvement of an American family and their descendants through 200 years with emphasis on 1776, 1876, and 1976.

Ms. Solomon, producer of the event, is a member of the Syracuse Symphony Orchestra corporate board of directors, director of the Opera Theatre of Syracuse, participates in the Syracuse Ballet Theatre, the Syracuse Federation of Women's Clubs, and the Syracuse Club of Zonta International, of which she is Bicentennial chairman.

She is New York State honorary chairman of the Muscular Dystrophy Association of America and is the recipient of the Syracuse Press Club trophy and citation as Central New York's First Lady of the Theater. She is also an honored Syracuse Post-Standard Woman of Achievement in Musical Theater.

The words to "What Will They Say?" evoke deep national pride and are very patriotic. We should reflect on them as we look toward our bright future. In words and music, Bea Solomon expresses her own love and devotion to this great country. I am pleased to share this spirit with my colleagues.

"WHAT WILL THEY SAY?"

What will they say about our country someday,
What will they say about the USA?
And when today becomes a yesterday,
Then tell me, what will they say?

What do we say today about our yesterday,
What do we say about the USA?
Searching for truth ev'rywhere in ev'ryway,
Tell me, what do we say?

We say:
That in the first '76 we did awake,
Declaring rights never to forsake.
"Independence for one and all to take!"
This promise we did make.

That in the next '76 we gathered 'round,
Our voices ringing out as one in sound:
"When words become deeds they will be found
On American ground!"

That in the third '76 we pledge this nation
Allegiance with a new dedication!
"Bicentennial celebration
Brings true consecration!"

So, what will they say about our country someday,
What will they say about the USA?
Then—when today becomes a yesterday,
Oh, we pray, *that* is what they too will say.

A BILL TO REGULATE TOXIC SUBSTANCES

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. MOFFETT. Mr. Speaker, there is currently pending in the House Commerce Committee a bill that would comprehensively regulate toxic substances and require that new chemicals be tested in the laboratory as opposed to being tested on the populace. Congress has attempted twice before to enact legislation to deal with this area and has unfortunately failed. I trust this time we will be successful.

I find it persuasive evidence of the growing public anxiety over the problem of environmentally caused cancer that, on March 5, the Hartford, Conn., unit of the American Cancer Society in conjunction with Westledge School is going to sponsor a symposium on cancer and the environment—a Connecticut challenge. This will be a step toward educating the public to the realities of the causative relationship between the toxic chemicals being introduced into the environment and the rising toll of human cancers.

Daily it becomes clearer that a depressingly high percentage of these cancers are environmentally caused, perhaps as high as 70 percent. Therefore, I would like to place in the RECORD, for the solemn consideration of my colleagues, excerpts from an article written by Samuel S. Epstein, M.D., Swetland Professor of Environmental Health and Human Ecology at Case Western Reserve School of Medicine, and made available by the Environmental Study Conference:

1. THE NATIONAL TOLL OF CANCER

Cancer is now a major killing and disabling disease of epidemic proportions. More than 53 of the 210 million U.S.A. population (25%) will develop some form of cancer, and approximately 20% of Americans now die from cancer.

It is estimated that 665,000 new cancer cases were diagnosed and that there were 365,000 cancer deaths in 1975. Thus, cancer deaths in 1975 alone were eight times higher than the total U.S. military deaths in the Viet Nam and Korean war years combined.

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No age, sex, or ethnic group is spared from cancer. Cancer is a leading cause of premature death at all ages, including infancy and childhood. Cancer has also been induced following maternal exposure to carcinogens, as recognized in post-adolescent girls whose mothers had been treated in pregnancy with diethylstilbestrol.

The total economic impact of cancer is massive. Estimates indicate that in 1969, the direct costs for hospitalization and medical care for cancer exceeded $500 million. It appears that the total direct costs for a particular patient range from $5,000 to over $20,000. The direct and indirect costs of cancer, including loss of earnings during illness and during the balance of normal life expectancy, were estimated at a total of $15 billion for 1971.

2. THE RECENT INCREASING INCIDENCE OF HUMAN CANCER

The rate of recent increases of cancer deaths is more rapid than the rate of increase in population, and is even more rapid than the increase in the overall rate of death. It is of interest to note that there are only three major causes of death which have significantly increased in the recent past; these are cancer, homicide, and cirrhosis of the liver. This increase in new cancer cases is real and is over and above that due to any increase from age alone. The cancer death rate appears to have approximately tripled since the beginning of this century, in spite of advances in diagnosis and cure. It is of interest to note that the major improvements in 5-year cancer survival rates occurred prior to 1955, and appear to reflect advances in surgery, blood

transfusion, and antibiotic therapy, rather than in cancer chemotherapy.

The earliest year for which cancer death rates are available is 1900. These rates were crude, not adjusted for age, and were based on approximately half of the United States population living in 153 cities in 10 states. The mortality data from the National Center for Health Statistics, created in 1933, are based on the total U.S. population and are age adjusted. Overall crude cancer death rates since 1933 have increased annually by about 1% until 1975, when the increase for the first seven months was reported to be about 5%; the reality of the 1975 increase appears to have been independently confirmed by Metropolitan Life Insurance data. A substantial proportion of this increase since 1933 has been from lung cancer and is due to smoking. Similar large increases have been noted in other organs, particularly in Blacks, in whom some of this increase could well be apparent and reflect the increased availability of diagnostic facilities. In spite of the increase in overall cancer rates and the increase of various specific organ rates, there have been significant declines in rates for other such organs as stomach and cervix (included in Uterus in Table III); it is of interest that there is evidence of a recently increasing incidence of cervix cancer, which possibly may be associated with the use of estrogens by post-menopausal women. The "spotty" changes in cancer incidence and death rates over the past few decades have, in fact, provided major epidemiological clues as to environmental causes of cancer in various organs.

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It is of particular interest that a recent National Cancer Institute (NCI) atlas on cancer mortality rates, in different counties, has demonstrated marked geographical clustering of rates for various organs in the U.S. White population in heavily industrialized areas. Such data are presumptive of associations between cancer rates in the general community and the proximity of residence to certain industries.

Apart from the importance of occupational factors in the incidence of cancer in the population-at-large, specific occupational exposures are a major cause of cancer deaths, particularly in males. Various estimates have indicated that approximately 10% of all current cancer deaths in males are occupational in origin. These include lung cancer and pleural mesotheliomas in insulation workers and in others, such as construction workers, exposed to asbestos; bladder cancer in the aniline dye and rubber industry, induced by such chemicals as 2-naphthylamine, benzidine, 2-aminobiphenyl, and 2-nitrobiphenyl; lung cancer in uranium miners of Colorado, in coke oven workers, and in workers even briefly exposed to bischloromethylether; skin cancer in cutting and shale oil workers; nasal sinus cancer in wood workers, cancer of the pancreas and lymphomes in organic chemists; and angiosarcoma of the liver, besides other cancers, in workers involved in the manufacture and fabrication of polyvinyl chloride.

The toll of cancer in particular occupational exposures is overwhelming. For instance, it has been estimated that about 50% of asbestos insulation workers die of cancer, and that 20% of all long-term asbestos workers die of lung cancer. Approximately 30% of all premature deaths in uranium miners are due to lung cancer. Many other occupational groups are at high cancer risk, including steelworkers, miners and smelters, rubber workers, and workers in a wide range of petrochemical industries.

3. ENVIRONMENTAL CHEMICAL CARCINOGENS AS A MAJOR CAUSE OF HUMAN CANCER

There is now a growing consensus that the majority of human cancers are due to chemical carcinogens in the environment and that they are hence ultimately preventable (See Supportive Reference Nos. 7, 12, 27 and 84, Appendix). Numerous estimates by expert national and international committees indicate that 70–90% of human cancers are environmentally induced; the Director of the NCI recently concurred in these estimates, and placed a figure of 90% as the incidence of environmental cancer. The basis for such estimates largely derives from epidemiological studies, in large community populations over extended periods, which have revealed wide geographic variations in the incidence of cancer of various organs. In some of these studies, the role of specific environmental carcinogens has been implicated or identified.

There is also now general agreement that the U.S. population and workforce has been and is being continually exposed to a wide range of known and identified chemical carcinogens in their air, water, and food, besides, in all likelihood, to a greater range still of unknown or untested carcinogens. Potent new chemical agents are being synthesized and introduced into commerce and the workplace at an exponential rate, generally in the absence of adequate testing for carcinogenic and for other adverse public health and ecological effects.

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5. CONSTRAINTS TO A MAJOR REDUCTION IN THE INCIDENCE OF HUMAN CANCER

a. *Absence of Toxic Substances Legislation*—

There seems to be strong a priori grounds for associating recent increases in cancer mortality rates with the increasing synthesis and usage of industrial chemicals, and concurrent exposure of large human populations, over the last four decades.

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Such increases are likely to have occurred in other industrialized countries, although perhaps later and less dramatically than in the U.S.

It is not possible now to estimate the proportion of these novel chemicals which pose carcinogenic, besides other, hazards to man. Except for some special-purpose regulations in the area of pesticides, food additives, and drugs, however, this massive post-war efflorescence of petrochemical technology has occurred largely unrestricted by national, much less international, controls. There has been no general requirement for pre-testing of chemicals, prior to manufacture or use, for carcinogenic or other adverse effects. As a consequence, it is likely that many carcinogens have been in wide use, whose effects may only manifest now, or in the next few years or decades. The case of vinyl chloride may well be a harbinger of other carcinogens from this generation of materials. Recently recognized as an occupational carcinogen, vinyl chloride was originally introduced into large scale production in the 1950's, and synthesis grew at about 15% per year until about four billion pounds were manufactured in the U.S. in 1970. Of the vinyl chloride workers identified by June, 1974 with confirmed diagnoses of hepatic angiosarcoma more than half, however, had received their first exposure prior to 1950. It is interesting to note that the chronology of the development of recent data on the carcinogenicity of vinyl chloride has been recently reviewed in a report of the AAS Committee on Scientific Freedom and Responsibility (Edsall, 1975). This report documents the suppression of carcinogenicity data by the Manufacturing Chemists Association (MCA), allowing continued exposure without warning of tens of thousands of workers to high concentrations of vinyl chloride.

Toxic substances legislation is critically required to enforce the requirement for toxicological testing, in general, and for carcinogenicity testing, in particular, of new chemical agents prior to their introduction to commerce and the workplace. Failure to enact such legislation is likely to result in still further increases in the incidence of cancer in the coming decades. It is of interest to note that various adverse economic impact analyses of such legislation, in general, have failed to consider or reflect the very substantial, and hitherto externalized, costs of human cancer. Illustrative, is the Congressional testimony of 7/11/75, by the MCA and Foster D. Snell Co. who expressed "—concerns on the huge costs and inflationary pressures—", inherent in such legislation.

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Currently, the federal government is meeting the bill for carcinogenicity testing of potentially profitable chemicals and products through the NCI bioassay program, through the NCI program on "safe cigarette testing", and through limited federal intramural programs, such as in the FDA. Clearly, national policies should be established to shift these costs appropriately from the public to the private sector, allowing industry to pay for testing in NCI monitored and licensed laboratories.

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d. *External Pressures on Scientists*—

Pressures on industry scientists to develop and interpret data on chemical carcinogenesis to be consistent with short term marketing interests, have resulted in a wide range of mythologies, which appear calculated to minimize the significance or reality from the effects of human exposure to particular chemical carcinogens. While these mythologies cannot withstand elementary scientific scrutiny, they have been vigorously and effectively advocated at a wide range of recent arenas including Congressional Hearings, proceedings of the 1973 OSHA Standards Advisory Committee on Occupational Carcinogens, EPA suspension Hearings on Dieldrin, and the more recent EPA Suspension Hearings on Chlordane and Heptachlor.

* * * * *

Apart from possible problems of conflicts between corporate loyalty and scientific freedom and social responsibility, as recently discussed in an AAAS report (Edsall, 1975), it is of particular interest to note that at public hearings on September 11, 1973, on the proposed standards for the 14 occupational carcinogens, a lobbyist, representing the major manufacturers of those chemicals, stated that the corporate scientists on the Committee were not qualified in regulatory problems, which were the exclusive respon-
Hearings on Chlorodane and Heptachlor.

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Recently and more disturbingly, there are growing indications of attempts to re-write established principles of chemical carcinogenesis to suit alleged regulatory needs. Illustrative, appear to be the activities of a newly created Carcinogen Assessment Group (CAG) of EPA, and a sub-committee of the National Cancer Advisory Board (NCABO), charged by the NCI, on 9/19/75, to develop recommendations on the scientific basis for the regulation of environmental carcinogens.

It is of interest to note that the CAG group and a parallel group, formed to assess "benefits" of carcinogens were formed in partial response to the representations of a senior EPA official who claimed that the "scientific credibility" of the Agency had been threatened by the actions of the Office of General Counsel in Suspension proceedings on Dieldrin, and on Chlordane and Heptachlor; these proceedings were largely based on the unequivocal demonstration of carcinogenicity of these pesticides, for which no human carcinogenicity data are available.

* * * * *

A now apparently standard response by certain sectors of industry to attempts by regulatory agencies to promulgate standards limiting environmental and occupational ex-

posure to chemical carcinogens is to forecast, generally on the basis of procured reports, major economic disruption and unemployment attendant on compliance. Apart from the questionable economic validity of such forecasts, they do not appear to address themselves to the externalized costs, economic and otherwise, of carcinogenic and other toxic effects due to human exposures to carcinogens.

Estimates in the summer of 1974 by A. D. Little, under contract to the Society of Plastics Industry (SPI), and by Foster D. Snell, under contract to OSHA, on the impact of proposed occupational standards for vinyl chloride predicted costs as high as $65 billion and losses up to 1.6 million jobs. It is clear that such estimates are gross distortions, as most PVC producers are now in compliance, in the absence of major economic disruptions (Rattner, 1975). Illustratively capital costs of B. F. Goodrich Co. for compliance approximate to $34 million. Furthermore, this industry is considering leasing its "cleanup" technology and has found that the installed compliance technology actually cuts labor costs. Of further interest is the fact that a Union Carbide official has recently expressed surprise as to the ease of current compliance, in the absence of economic disruption, with the 1 part per million (ppm) standard. However, it should be noted that the corporation had in fact documented, at a much earlier date, the economic advantages of compliance by recycling of recovered vinyl chloride. It should be further noted that the 1 ppm standard, equivalent to 2,600 ug/m³, is far from stringent and that commercially available equipment can monitor down to 1 part per billion (ppb), which should more properly be the current standard.

* * * * *

6. CONCLUSIONS

a. The incidence of human cancer is rising dramatically and we are now experiencing a major epidemic of cancer which is killing one in five Americans. The economic costs of cancer are minimally $15 billion annually, and are clearly inflationary.

b. The majority of human cancers are environmental in origin and hence preventable.

c. Apart from a wide range of chemical carcinogens already contaminating our air, water, food and the workplace, new carcinogens are being synthesized and introduced into commerce in increasing numbers and in a largely unregulated manner.

d. Constraints to a major reduction in the incidence of human cancer appear to be largely political and economic, rather than scientific.

e. Toxic substances legislation is a critical element in developing national policies aimed at reducing the incidence of human cancers. Such legislation should also be associated with development of more coherent policies for regulation of environmental carcinogens by Federal agencies.

f. The NCI, and other Federal agencies, should direct higher priorities to research on environmental cancer.

g. Federal agencies should regulate environmental carcinogens more vigorously.

h. Scientific research on chemical carcinogenesis in industry, the NCI and in other Federal agencies must be insulated from political and economic pressure, if principles of chemical carcinogenesis are not to be further subverted by considerations including short-term marketing interests and alleged regulatory needs.

i. The regulation of environmental and occupational carcinogens is clearly consistent with long term industrial and national interests. Such interests are threatened by economic analyses designed to distort costs and unemployment attendant on compliance with carcinogen standards.

LETTER TO GAO ON SSI ADMINISTRATIVE COSTS CHARGED TO SOCIAL SECURITY TRUST FUNDS

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. VANIK. Mr. Speaker, on February 23, I sent the following letter to the General Accounting Office regarding the possible improper use of social security trust funds to finance supplemental security income administrative costs:

COMMITTEE ON WAYS AND MEANS,
Washington, D.C.

Hon. ELMER B. STAATS,
Comptroller General, General Accounting Office, Washington, D.C.

DEAR MR. COMPTROLLER GENERAL: Since September 8, 1975, the Ways and Means Oversight Subcommittee has been holding a series of hearings on the operation of the Social Security Administration's Supplemental Security Income program for the aged, blind, and disabled. In our hearings, it has become quite clear that the placement of this new program in Social Security has created an enormous and difficult burden on that agency. Social Security has made a commendable effort to improve the operation of the program by committing an enormous amount of manpower to the administration of SSI.

Of course, the Supplemental Security Income program does not have the insurance features of the other, traditional programs administered by Social Security. As a result, Congress mandated that the expenses of administering SSI—which is very clearly a welfare program and is not conditional on work experience and payroll contributions to Social Security—were to be reimbursed to Social Security from the general Treasury.

I believe that there is strong reason to suspect that the Social Security Funds (which finance the OASDO-H (part A) programs) are not being adequately reimbursed for the cost of administering SSI. From a study of our hearings and the Federal budget appendices, I believe that several hundred million dollars may have been used and gone unreimbursed from the trust funds to administer the SSI.

If so, this is a very serious matter. As you know, the financial soundness of the trust funds is under debate and the President has suggested that to deal with a short-range problem, the Social Security tax base and tax rate should be increased and that some benefit provisions should be eliminated. In addition, the trust funds face a 21st century funding problem which must be dealt with in the decades ahead. Therefore, the trust funds are in no position to make unnecessary expenditures and it is important to ensure that they be reimbursed for non-trust fund financed expenditures.

Second, the workers who contribute to the Social Security trust funds do so in the belief that they are building up credits and retirement income for themselves. Social Security is not a welfare program; it is a nationwide social insurance program. It is vital for continued support of the Social Security system that workers have confidence in the fact that their contributions go to maintain a defined set of retirement, disability, survivor, health programs for themselves and their families. Other programs must in no way be financed out of the Social Security trust funds.

Third, it is generally agreed that the Social Security taxes are more regressively based than are the taxes which supply the general Treasury. Therefore, to be financing the administration of a welfare program out of the Trust Fund tax system is to place an additional regressive tax burden on American workers.

In view of the importance of maintaining the distinctiveness and soundness of the trust funds, I request the GAO to determine whether Social Security does indeed have in operation adequate procedures to ensure that the administrative costs associated with the Supplemental Security Income program (and other non-trust fund programs, such as the Black Lung benefits program) are adequately determined and that full reimbursement for such administrative expenditures is indeed obtained from general revenues.

Section 201(g) of the Social Security Act (as amended through January, 1975) states:

"During each fiscal year or after the close of such fiscal year (or at both times), the Secretary of Health, Education, and Welfare shall analyze the costs of administration of this title, title XVI and title XVIII during the appropriate part or all of such fiscal year in order to determine the portion of such costs which should be borne by each of the Trust Funds and (with respect to title XVI) by the general revenues of the United States and shall certify to the Managing Trustee the amount, if any, which should be transferred among such Trust Funds in order to assure that (after appropriations made pursuant to section 1601, and repayment to the Trust Funds from amounts so appropriated) each of the Trust Funds and the general revenues of the United States bears its proper share of the costs incurred during such fiscal year for the part of the administration of this title, title XVI, and title XVIII for which the Secretary of Health, Education, and Welfare is responsible."

Is the Department of Health, Education and Welfare complying with the law relating to reimbursement for SSI expenses?

The following quotes, statistics, and data are the basis for my belief that hundreds of millions of dollars should be reimbursed to the Social Security trust funds to replace monies improperly spent on the Supplemental Security Income program:

"SSI represented during the first year about 12% of our caseload, and we had about 70% of our manpower resources directed to it, and the result was that it subtracted from our capacity to serve the regular, entitled beneficiaries, and the shock of that to the agency has not yet settled down, but I think it is gradually settling down."

Cardwell before Public Assistance Subcommittee June 3, 1975;

"In fiscal year 1974, SSA actually suffered a loss in productivity for the first time since 1961—a loss of 2.4 percent."

Cardwell before Flood Subcommittee April 23, 1975;

"In order to keep our earnings record operation current, we will require an additional 638 man-years in 1976. In addition, to the normal workload increase of 13,000,000 items, SSA expects to process 20,000,000 items that we had to backlog in 1975."

IBID

The above quotes by Commissioner Cardwell before other Congressional Committees, if accurate, indicate how disruptive SSI was to the regular SSA staff. According to the Commissioner, "70 percent of our manpower" was devoted to SSI, so much so that the productivity of the whole agency declined

and SSA had to "backlog" twenty million earnings record transactions in 1975.

As the attached data, obtained from the budget appendices for FY 1976 and FY 1977 show, SSI's administrative cost varies from 19.5% of all Social Security Administration administrative costs in its first half of operation to approximately 20.6% of all Social Security Administration administrative costs in FY 1975 and FY 1976. How are these proportions reconciled with Commissioner Cardwell's statement that "during the first year . . . we had about 70 percent of our manpower resources directed to (SSI) . . ."?

Commissioner Cardwell also stated in the October 20, 1975, Oversight Subcommittee hearing that—

"SSI initial claims offer another example of how much initial estimates of production rates were understated. We estimated that an initial SSI claim for an aged individual would require 62.1 minutes in the district office in the 1974 budget request to Congress. Our fiscal year 1975 experience shows the time to be 246.3 minutes."

He also stated in the September 8th Oversight Subcommittee hearing:

"In fact, during the period of January through May or June 1974, we were spending probably 50 or 60 percent of our manpower on SSI and there is no question but that during that period, we borrowed heavily from regular social security services."

The implications of these figures are interesting. Either the amount of staff time used was four times what was originally estimated, (yet the budget for SSI administration does not increase four-fold), or the work did not get done. Certainly, fewer SSI beneficiaries were enrolled than anticipated; but—and Social Security is to be commended for this—the lines of people at the door were enrolled. This means, I believe, that other OASDI work was not done. This means that much of the administrative cost attributed to the other Social Security programs during much of FY 1974 and most of FY 1975 should have been attributed to SSI.

Attached is a response which the Oversight Subcommittee received from Social Security concerning overtime and staffing. What was there in regular Social Security programs to cause a 3.6 million hour increase in overtime between FY 1973 and FY 1974? The allocation of overtime provided in this answer makes no rational sense. I believe, from interviews that the Subcommittee staff has had with Social Security management, District Directors, and employees, that virtually all of this overtime is attributable to SSI.

In FY 1976, Social Security was authorized some 23,800 positions, approximately 30% of Social Security's total work force, to administer SSI. Yet the salaries and expenses data in the budget appendices indicates that SSI is attributed with only 20.8% of the total administrative cost of the Social Security Administration's salaries and expenses.

Finally, I include the attached table from the Subcommittee's October 20th hearing. This table shows that at the Miami and the Cleveland inner-city Social Security offices, more workers perceived that they spent more time on SSI cases than on any other type of case. These workers were polled in mid-October, 1975. The quotes of the workers conflict with the fact of Social Security's allocation of only 20.6% of its total administrative cost to the Supplemental Security Income program.

The American worker must be able to have trust in the soundness and integrity of the Social Security Trust Funds. In view of the questions raised by the above data, I hope you will give this request every consideration.

Sincerely yours,

CHARLES A. VANIK,
Member of Congress.

LIMITATIONS ON SALARIES AND EXPENSES

[In thousands; fiscal years]

	1974	1975	1976 estimate
Old-age and survivors	579,433	677,519	711,954
Disability	338,824	381,855	463,584
Health:			
Hospital (pt. A)	174,529	189,563	232,178
Supplementary medical insurance (pt. B) repayment to trust funds from Treasury and enrollee payments	349,582	379,126	464,355
Supplemental security income	292,100	459,518	493,660
Total	1,734,468	2,095,621	2,370,731

ADMINISTRATIVE COSTS

[In thousands; fiscal years]

	1974	1975	1976
Old-age and survivors	762,342	813,817	913,833
Disability	214,560	240,366	277,530
Hospital insurance	250,618	293,418	321,518
SSI repayment to trust funds	292,756	459,518	493,660
Supplementary medical insurance (pt. B) repayment to trust funds from Treasury and enrollee payments	367,714	468,980	519,937
Total	1,887,990	2,276,099	2,526,478

STAFFING

8. How much has been spent in overtime for SSI work? How much does that amount to in terms of hours? (According to one source, about $50–60 million has been spent and that amounts to 9 million hours.) Are there any offices which have an overtime requirement? Are there reports that so much overtime has been demanded that productivity is declining?

Workload processing operations of the many programs administered by the Social Security Administration are highly integrated especially in the district offices where most employees may work during the course of a day in operations involving all programs, e.g. retirement, disability, or health insurance, supplemental security income, black lung etc. In fact in many instances a district office employee may take one action which simultaneously affects several programs, e.g. claims from one individual for old-age or disability benefits under both the social security insurance program and the supplemental income program. Because the operations of all SSA programs are thus integrated it is not possible to account exactly for the amount of overtime applicable to the various programs.

The following table shows the total overtime hours worked by Social Security employees and an estimate, based on SSA's allocation procedures, and the volume of overtime worked on the SSI program only. The cost figures shown in the table are those for the additional cost of overtime—that is, the approximate difference between straight time and overtime, which is the true extra cost of overtime.

OVERTIME HOURS AND COST

Fiscal year	Hours worked		Added cost	
	SSA total	SSI portion	SSA total	SSI portion
1973	5,741,000	163,000	$9,627,000	$273,000
1974	10,945,000	1,601,000	18,354,000	2,685,000
1975	11,378,000	2,522,000	19,080,000	4,230,000

As a percent of total man-years SSA employees worked far less overtime in 1973, 1974 and 1975 than they did when SSA implemented the Medicare program as indicated in the table below:

TREND IN USE OF OVERTIME

Year	Total man-years	Overtime man-years	Percent of Total man-years
1965	35,345	816	2.3
1966	48,473	6,372	13.2
1967	49,650	3,728	7.5
1968	54,770	4,165	7.6
1969	54,405	2,714	5.0
1970	53,648	2,902	5.4
1971	55,438	2,757	5.0
1972	56,443	1,490	2.6
1973	59,542	3,189	5.4
1974	77,956	6,083	7.8
1975	86,168	6,360	7.4

No region had a "regionwide" policy requiring mandatory overtime. In the past, and presently, however, the huge workloads dictated the need to order overtime in certain heavily impacted offices. We have followed, we think, a very sensible overtime policy in that mandatory overtime is held to a bare minimum and limited to the very heavy workload areas. Substantial amounts of voluntary overtime have been made available and individual district managers have used overtime as needed and demanded by the various office workloads. In all cases, district managers have coordinated overtime planning with local union representatives to insure equitable distribution of the hours and prevent undue employee hardships. Even when overtime is mandatory, individual employees can be excused for personal reasons.

Your question about the relationship between overtime and productivity is a good one, but we do not have the data to answer it. Up to a point productivity is better on overtime, because the more experienced employees are usually working. However, there has to be a point of diminishing returns. When overtime becomes a continual way of life it is undesirable. It is, however, a reasonable way to deal with nonrecurring and peaking workloads.

	Is more training needed?		More employees?	
	Yes	No	Yes	No
District of Columbia:				
A	82	18	100	0
B	75	0	100	0
C	100	0	100	0
D	88	2	98	0
E	80	20	85	15
F	100	0	100	0
Cleveland:				
City	83	10	93	7
Suburb	69	24	86	14
Miami:				
City	84	9	97	3
Suburb				

	Does your office need more—		
	Space	Equipment	Supplies
District of Columbia:			
A	82	82	82
B	0	100	88
C	86	100	86
D	69	76	38
E	50	75	30
F	100	88	66
Cleveland:			
City	79	79	52
Suburb	41	52	41
Miami: Total	100	95	77

	Have you participated in outreach previously? (percent yes)	Currently? (percent yes)
District of Columbia:		
A	55	27
B	63	50
C	43	0
D	52	5
E	45	5
F	77	0
Cleveland:		
City	41	7
Suburb	62	3
Miami: Total	40	18

PERCENT OF TIME SPENT ON DIFFERENT CATEGORIES OF CASES

	Number of respondents per percent category			
	0 to 10 percent	11 to 30 percent	31 to 50 percent	Over 50 percent
Washington	(1)	(1)	(1)	(1)
Cleveland:				
Inner City:				
Old-age and survivors	14	10	2	0
Disability	7	5	15	0
Medicare	24	2	0	0
SSI	0	4	15	9
Suburb:				
Old-age and survivors	2	6	12	9
Disability	6	16	7	0
Medicare	19	9	1	0
SSI	28	8	0	2
Miami (total):				
Old-age and survivors	19	15	8	1
Disability	19	17	7	0
Medicare	31	9	1	
SSI	5	6	17	1

[1] Data not available at this time.

THE SO-CALLED EXPERTS ARE ALWAYS SURPRISED—WHAT NEXT IN RED CHINA?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. McDONALD of Georgia. Mr. Speaker, the world's press professed to be shocked and surprised at the accession of Hua Kuo-Feng to the post of Premier in China. The London Daily Telegraph of February 8, 1976, had noted that his name was not even included among a recent list of "Leaders of the People's Republic of China" prepared for President Ford by his experts. However, anyone who follows the Communist world knows the head of the secret police always has the potential to grab the reins of power. We need only to recall the brief, but fatal try of Lavrentiy Beria for supreme power in the U.S.S.R. in the immediate post-Stalin period. To the best of my knowledge, however, the only periodical to predict that this might happen in Red China was Review of the News in its January 28, 1976, issue on page 53 in the "Overseas" feature written by Hilaire du Berrier in an item entitled: "Red China: After Chou, What?" The item is reprinted below for the edification of my colleagues:

RED CHINA: AFTER CHOU, WHAT?

China specialists in the intelligence services of Western Europe are assiduously studying incoming reports, looking for indications, counting straws in the wind, measuring anything that might provide answers.

There is only one certainty: Mao Tse-tung will shortly follow Chou En-lai "to meet Marx," as the great mass murderer puts it. Then come the unknowns. About 400 veterans of the Long March of 1934 are still alive. Younger men are pressing the old timers. Mao is still the buffer between First Vice Premier Teng Hsiao-ping and officials who rose during the cultural revolution by denouncing the upstart Teng. Will Teng move to settle scores when Mao is no longer there to restrain him? Will those who denounced Teng close ranks to get him first? Or will both Teng and those who tried to get his head ten years ago lie low out of fear of the Army?

The military is powerful enough in 20 of Occupied China's 29 provinces to return the countryside to the days of the warlords as soon as the politicians provide an excuse by causing trouble. Teng is the Chief of Staff of China's military machine, but Chang Chun-chiao, the Second Vice Premier, has his own supporters among the generals and it was he who led the Cultural Revolution which humiliated Teng. The Armed Forces control all cable and telephone communications, including radio, between Peking and the provinces and between towns and villages. Red China is divided into eleven military regions commanded by what is known as "the eleven marshals," though in theory military rank is nonexistent. Hua Kuo-feng, the 57-year-old security chief, may hold Red China's destiny, and Teng's, in his hands.

Only one thing is certain: American recognition of the illegal Peking dictatorship must not be granted. Even Kissinger doesn't know which criminal is in charge. Our friends in China based in the Province of Taiwan are the legal Government and they are anxious to free the Mainland from Communist dictatorship of any kind.

MEDIC ALERT CELEBRATES ITS 20TH ANNIVERSARY

HON. B. F. SISK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. SISK. Mr. Speaker, today marks the 20th anniversary of the creation of Medic Alert Foundation International which provides a unique emergency medical identification system to the people of, not only the United States, but to the world.

It is a source of great pride to me that my district is the home of Medic Alert Foundation, a nonprofit, charitable and tax-exempt organization. It is an exemplary organization structured totally to serve mankind. Medic Alert does this by saving lives, by lessening suffering, and by providing security to its members who know that should they ever need its protection, the foundation will be there to help them.

Like many great things, Mr. Speaker, Medic Alert grew out of a seemingly minor event, but one that nearly turned into a tragedy. Linda Collins, the teenage daughter of Dr. Marion C. Collins of Turlock, cut her finger in a backyard game and was taken to the hospital. There, a doctor routinely performed a sensitivity test to tetanus antitoxin. Linda immediately went into anaphylactic shock and her life hung in the balance for days.

With her recovery, Linda's extreme allergy to this drug was a constant concern to Dr. and Mrs. Collins who considered every possibility of having this knowledge immediately available should Linda ever be involved in another emergency. In early 1956, the Medic Alert concept that we know today began to evolve. And on March first of that year, the family devised a bracelet with the medical profession's insignia on the front, and the words "Medic Alert" and her allergy engraved on the back.

Out of that single act has come the Medic Alert of today, protecting over 620,000 members in the United States and over 930,000 throughout the world. There are affiliate organizations on four continents. Each member wears an emblem of protection like the one Linda Collins first wore 20 years ago. That emblem, by the way, has been retired and today is on permanent display at the Smithsonian Institution here in our Capitol City.

Medic Alert's emergency medical identification system is designed for individuals with any medical problem or condition that cannot be easily seen or recognized. The American Medical Association estimates that one out of every five people falls into this category and is, therefore, a candidate for Medic Alert membership. Extending this throughout the Nation, there are over 40 million Americans who have hidden medical problems and who should consider acquiring the protection offered by the foundation.

Of the more than 200 common reasons for membership in Medic Alert, the most frequently named are severe allergies, diabetes, heart conditions, epilepsy, taking anticoagulants and wearing contact lenses.

Mr. Speaker, tragic or even fatal mistakes can be made in emergency medical treatment unless the special problem of the person is known. A diabetic, for example, could be neglected and die because he was thought to be intoxicated. A shot of penicillin could end the life of an individual with an allergy to that drug. In case of an emergency, emergency medical personnel should know that individuals are on certain medications in order that they can continue to receive them.

Emergencies, Mr. Speaker, are the times when Medic Alert is most valuable. When a person cannot speak for himself because of unconsciousness, shock, hysteria, loss of speech, or perhaps the person is not yet old enough to talk, the Medic Alert emblem speaks for him loudly.

In operation, the Medic Alert system is virtually a foolproof system of protection. The alerting device, in either bracelet or necklace form, has engraved not only the hidden medical problem of the wearer, but his membership number and the telephone number of Medic Alert's emergency answering service.

This basic "altering" device is supplemented by a wallet card that is issued annually for the life of the member. It

contains the latest medical and personal information that has been provided by the member who can update his emergency record at any time. The card is dated so that emergency personnel know they are working with information not more than a year old.

The third part of the system is the computerized emergency record of each member located at the foundation's Turlock headquarters. By calling the emergency telephone number engraved on the emblem and printed on the card, and by using the member's individual identification number, emergency personnel have immediate access to all the medical and personal information in that person's emergency record. The number may be called collect from anywhere in the world, at any hour of the day, every day of the year.

Proof that the Medic Alert system of emergency medical identification works is seen in the fact that in a recent 12-month period, over 2,000 individuals wrote to the foundation saying that Medic Alert had provided significant assistance to them. In many instances, lives have actually been saved.

As we recognize this unique foundation today, we do so with the knowledge that it has grown because of two reasons. First, Medic Alert has provided a needed service in an efficient, straightforward manner. Second, it has grown and is fulfilling its destiny because of extremely strong leadership that has, from the first, been totally committed to providing the finest and most complete emergency medical identification system at a cost within the reach of most individuals.

Initial leadership came from Dr. and Mrs. Collins who formed a strong board to help guide the foundation's growth. As in all cases, the reins of leadership pass to others with time, and here Medic Alert has been most fortunate. First, one of our country's outstanding businessmen, John D. McPherson, became president upon the recent retirement of Dr. Collins and he has now been joined by one of our Nation's most noted physicians, Luther L. Terry, M.D., former U.S. Surgeon General, as chairman of the board. Both men have served Medic Alert for years as members of the board. Mr. McPherson, additionally, has served as board chairman and chairman of the finance committee for approximately half the life of the foundation. The board today is stronger than ever before as great strides are being made to fullfill the foundation's commitment to the people: to provide the protection of Medic Alert to every individual with a hidden medical problem.

The commitment, Mr. Speaker, is worldwide in scope. Today there are 14 affiliate organizations, a number that is expected to grow by several more before the end of this year.

Mr. Speaker, the members of Medic Alert are to be found in every walk of life throughout the Nation, including some of the honorable Members of this body. For example, during a recent meeting of the Medic Alert board in this city, two of our prominent colleagues attended as longstanding members. They were the Honorable WILLIAM A. STEIGER, Republican from Wisconsin, and the Honorable JOHN E. MOSS, Democrat of California. Mr. Moss in his remarks said:

> Medic Alert gives a person a great sense of assurance that should an allergic reaction occur anywhere it does give the attending physician that much mode advanced information by calling to his attention the allergic situation.

Medic Alert's value, of course, extends well beyond these Halls. Daily, individuals are helped by the Medic Alert system of protection. Take, for example, a gentleman from Hamilton, Mont., whose hidden medical problems are emphysema, bronchial asthma, and he uses a breathing machine. "While traveling through Colorado, I stopped at a service station where I suffered a bad attack and could not catch my breath as I had not been using my breathing machine for several days. I passed out. The attendant saw my Medic Alert emblem, noted my medical problem, and tried to take me in his car to the hospital, but he was not strong enough to move me. He then called an ambulance which had a monitor and oxygen. When the paramedics read the engraving on my emblem, they began immediate treatment. I am thankful my doctor advised me to become a Medic Alert member."

Here is the statement from another member of Medic Alert:

> I was rushed to the hospital by ambulance unconscious with a temperature over 106 with bladder and kidney infection and because of my diabetic condition it resulted in blood poisoning. I had become 30% anemic from loss of blood. My wife was unable to identify my medication. I am also allergic to penicillin. Noting my Medic Alert emblem, the hospital doctor assured my wife he could get all the information he needed by calling Medic Alert, which he did. Between my wife, Medic Alert, and a wonderful staff of doctors, my life was spared. Thank you for your assistance.

Endorsed by hospitals and medical professions as well as police, fire, and other emergency services, Medic Alert is today growing at a rate faster than ever before. It is anticipated that by the end of this year, another 75,000 members will have joined. They learn of Medic Alert through the vast volunteer movement which involves thousands of individuals, working in groups and alone. Mr. Speaker, I am proud to be one of those supporters and to bring this message of Medic Alert to you today on this special occasion.

EQUAL OPPORTUNITY: THE HOPE AND THE REALITY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. RANGEL. Mr. Speaker, more than a decade has now passed since the Equal Employment Opportunity Commission was established under title VII of the Civil Rights Act of 1964. The passage of that act gave hope to black Americans and others who had suffered centuries of discrimination—hope that they would finally be guaranteed the equal treatment that they had been denied over the past two centuries.

But the experience of the past 10 years has shown that despite the passage of the Civil Rights Act, the American legacy of racism and sexism continues to be a national outrage. Instead of carrying out effective programs to achieve equal job opportunities, we have been force fed a policy of benign neglect. Instead of numerical goals for hiring being seen as a necessary means to overcome class discrimination, they are being mocked and misunderstood. And instead of accepting and implementing the decisions of the judiciary that have struck down discriminatory practices, we are wallowing in the deceptive emotional rhetoric about "forced busing," "quotas," and "reverse discrimination."

In a thoughtful address marking the 10th anniversary of the establishment of the Equal Employment Opportunity Commission, Mr. Herbert Hill has examined some of the reasons that the equal opportunity legislation and judicial decisions of the past decade have fallen short of their goals.

Mr. Hill, the national labor director of the National Association for the Advancement of Colored People, distressingly but, I think, perceptively notes that we are "participating in a memorial service for the second American reconstruction."

Mr. Speaker, I urge my colleagues to read and reflect on Mr. Hill's address, the first part of which follows. The conclusion will appear in tomorrow's Extensions of Remarks:

AFFIRMATIVE ACTION AND THE QUEST FOR JOB EQUALITY

(By Herbert Hill, National Labor Director, National Association for the Advancement of Colored People)

We are participating in an enormous historical irony as we celebrate the first decade of the Equal Employment Opportunity Commission. Congressional adoption of the Civil Rights Act of 1964 with Title VII which authorized the Commission's existence, was widely hailed as a turning point in the history of the nation. It appeared to be the most important, if delayed, legislative response to the new era of constitutional law on race ushered in by the Supreme Court exactly ten years earlier in *Brown* v. *Board of Education*.

The Civil Rights Act of 1964 was debated and eventually enacted into law during a time of turmoil and upheaval. For a brief period, a part of the white population joined with black Americans in expressing a vast outrage against the crimes of racism. During the mid-1960s, as a result of direct confrontation with the forces of segregation and discrimination, together with the emergence of a new body of constitutional law, a great hope was born. A hope that the legacy of centuries of slavery and racism would finally be abolished and that America, at long last, would become a just, decent, and compassionate society.

But that hope was not yet to be realized. In retrospect, it is evident that the high moral outburst of the 1960s was but a passing spasm. The memory of that period has already receded and diminished into a remote past and black people, once again, are left to fight the battle alone. We are now celebrating the tenth anniversary of the Equal Employment Opportunity Commission, but we are also participating in a me-

morial service for the Second American Reconstruction.

A major manifestation of the sharp turning away from the goal of racial equality is to be found in the shrill and paranoid attacks against affirmative action programs. The effort to eliminate the present effects of past discrimination, to right the wrongs of many generations was barely underway when it was aborted. And now, even the very modest gains made by black men and women through affirmative action are being erased, as powerful institutions turn the clock of history back to the dark and dismal days of "separate but equal."

Judging by the vast outcry, it might be assumed that the use of numerical goals and timetables to eliminate racist job patterns has become as widespread and destructive as discrimination itself. As with the much distorted subject of busing, the defenders of the racial status quo have once again succeeded in confusing the remedy with the original evil. The term "quota" like "busing" has become another code word for resistance to demands for the elimination of prevailing patterns of discrimination.

This issue is now a major national controversy and because it has become the focus of conflicting forces in current civil rights struggles it is necessary to identify, within the limits of this paper, the leading opponents of affirmative action. The attack comes from many places, among these are the academic community and the educational bureaucracy, big business and organized labor, white ethnic organizations and, of course, the federal government itself. Although worthy of a far more extensive examination, a few examples will suffice.

The clarion call in the ideological war against affirmative action was sounded by Professor Sidney Hook in a widely quoted article that appeared on November 5, 1971 in the New York Times, followed by his article in *Freedom At Issue* and other publications. Hook denounced affirmative action programs in institutions of higher learning and called upon his colleagues to resist all such demands from civil rights groups. He was soon joined by many distinguished academicians and the Committee for a Rational Alternative emerged (later known as the University Center for Rational Alternatives) followed by the Committee on Academic Non-discrimination and Integrity. These groups, using the names of some of the most prestigious figures in academia and with virtually unlimited access to the media have conducted a steady drumbeat of attack against affirmative action programs in colleges and universities. Since January 1972 the pages of *Commentary* magazine, which described the EEOC as the "quota commission," have been repeatedly filled with self-righteous denunciations of affirmative action by the ideologues of the new atack upon racial equality. (See for example, Earl Raab, "Quotas by Any Other Name," Paul Seabury, "HEW & the Universities," *Commentary*, February 1972; "The Pottinger Papers: An Exchange on Affirmative Action," *Commentary*, May 1972, Elliott Abrams, "The Quota Commission," *Commentary*, October, 1972; Paul Seabury, "The Idea of Merit," *Commentary*, December 1972.

The Anti-Defamation League of B'nai B'rith and the American Jewish Congress both condemned affirmative action requirements imposed by the federal government on educational institutions and on June 20, 1972 called on the Department of Health, Education and Welfare to repudiate "preferential treatment" in federally funded programs. On August 4, 1972, the American Jewish Committee in an open letter to President Nixon urged him to "reject categorically the use of quotas and proportional representation" in civil rights programs, and on January 12, 1973 six national Jewish organizations charging "reverse discrimination" against white males sent a protest to the Department of Health, Education and Welfare urging it to "prevent or eliminate preferential treatment."

Typical of the position of most labor unions is the resolution adopted by the AFL-CIO Building and Construction Trades Department which stated:

"Racial quotas, under any guise are repugnant to all Americans. When a proposal is made to establish racial quotas as public policy, honest men must protest . . . We prefer the free choice of free men and we are certain that the vast majority of Americans, white and nonwhite alike prefer such freedom."

Spokesmen for corporate enterprise issued equally sanctimonious expressions of outrage and in March of 1973 Fortune magazine further distorted the issue by warning against the dangers of job quotas. Its executive editor, Daniel Seligman, wrote, "For a democratic society to systematically discriminate against 'the majority' seems quite without precedent."

Another major source of organized opposition to the mandate of affirmative action developed in litigation under Title VII, comes from the newly emerging network of groups based on the white ethnic working class population. The undeniable fact that the white working class is exploited has in the recent past been solemnly rediscovered in a variety of books and articles. But those who engage in these idealized portrayals of the white proletariat conveniently forget that the black working class is the most systematically discriminated against and exploited group in American society; that the victimization of blacks has been different in kind from anything known by the white ethnics. Furthermore, the past and present deprivation suffered by white workers of various ethnic backgrounds can in no way justify their intense opposition to black advancement, nor can their violence and racism be excused on the grounds that they too have suffered.

Michael Novak, a leading spokesman for the "unmeltable ethnics," to use his term, sought recently to warrant the intransigent response of these white workers to black demands for equality by blithely explaining that current racial problems are due to ". . . special weaknesses in the culture of American blacks." This attempt to make the victims responsible for their condition while exonerating the actions of those who firebomb buses carrying black children and engage in other acts of racist violence is, of course, obscene but typical of the current attitude. Whatever lofty sentiments are spouted by those who try to excuse white working class racism, the truth about the new ethnic revivalism is revealed on the streets of Boston, Brooklyn, Louisville, and elsewhere. After all the pieties are stripped away, the real reason for the existence of these groups is made clear by their oft repeated cry "stop the niggers."

The diverse forces united in their intense opposition to affirmative action programs deliberately distort the issue by equating affirmative action based upon numerical goals with a fiction called the "quota system" and "reverse discrimination." But there is a fundamental distinction between quotas and numerical goals. Quotas are used to exclude, while numerical goals are a means to include those workers who have been systematically excluded in the past. Quotas establish a ceiling—that is a maximum. Numerical goals used in affirmative action establish only a minimum which can, and often should, be exceeded. In short, quotas have been used as a limitation, while numerical goals represent the exact opposite.

Those who attack the use of numerical goals often argue that affirmative action programs will penalize innocent whites who are not responsible for past discriminatory practices. This argument turns on the notion of individual rights and sounds very moral and high-minded, indeed. But it ignores basic social reality. For example, black workers have not been denied jobs as individuals but as a class—no matter what their personal merits and qualifications. Women have not been denied training and jobs as individuals, but as a class regardless of their individual talent or lack of it. Correspondingly, while males as a class have benefitted from this systematic discrimination. Wherever discriminatory employment patterns exist, hiring and promotion without affirmative action perpetuates injustice.

The federal courts have recognized in Title VII ligitation that employment discrimination is by its nature class discrimination. This was established in *Parham* v. *Southwestern Bell Telephone Company*, *Oatis* v. *Crown Zellerbach Corporation* and *Bowe* v. *Colgate-Palmolive Company*, among many other cases. It was also established that relief must go to the entire injured class and the use of specified numerical goals can be most effective in achieving compliance with the law.

Common to most attacks upon affirmative action programs is the assumption that such approaches constitute "reverse discrimination" and that the quality of performance and work standards will be severely diminished as a result of the employment of nonwhites and women. The *a priori* assumption that no "qualified" blacks or women exist is implicit in this argument. Also implicit in the assumption that if blacks and women were to be employed, the allegedly high standards now in force would be diminshed. But in reality, the so-called merit system operates to give preference to mediocre or incompetent whites at the expense of highly talented blacks, as well as at the expense of mediocre and incompent blacks.

In *Chance* v. *Board of Ex' miners* (in which the United Federation of Teachers, AFL-CIO, filed a brief amicus curiae against the black and Puerto Rican plaintiffs and against "infamous quota systems") a federal court ruled that New York City must stop using its traditional examinations for selecting school principals because the tests had the "effect of discriminating significantly and substantially against qualified black and Puerto Rican applicants." The court concluded that the procedures of the Board of Examiners, allegedly based upon the merit system, could not be justified as being reasonably related to job performance. The United Federation of Teachers in New York City and its parent organization the American Federation of Teachers AFL-CIO, have been among the most active opponents of affirmative action. See for example, Albert Shanker, "Strong Voices Against Ethnic Hiring" New York Times, January 12, 1975, Section 4. (Paid Advertisement of United Federation of Teachers.)

A similar conclusion was reached by the Court of Appeals for the District of Columbia in two recent decisions where the court held that the District's Police Department test and the Federal Service Entrance Examination were illegal. In these cases as in so many others, so-called "merit systems" were revealed to be discriminatory systems.

To argue that the merit approach operates in the building trades, as spokesmen for organized labor frequently do, is to depart from all reason and sanity. As has been demonstrated in many lawsuits throughout the country, the worst forms of nepotism and favoritism prevail. Excerpts from two federal court decisions, one in Louisiana and the other in New York, indicate the national pattern.

In *U.S.* v. *Local 52, Asbestos Workers*, in New Orleans, the United States Court of Appeals for the Fifth Circuit stated:

"In pursuing its exclusionary and nepotistic policies, Local 53 engaged in a pattern and practice of discrimination on the basis of

race and national origin both in membership and referrals. It was found to be Local 53's practice to refer white persons of limited experience and white journeymen of other trade unions as mechanic asbestos workers. It was also found to be its practice to refuse to consider Negroes or Mexican-Americans for membership and to refuse to refer Negroes for employment or to accept Negroes for referral for employment. This policy and various acts of discrimination, both prior to and after the effective date of the Civil Rights Act of 1964, were admitted at trial and on this appeal."

In *U.S.* v. *Local 46, Lathers Union*, in New York City, the district court found that:

"There is a deep-rooted and pervasive practice in this Union of handing out jobs on the basis of union membership, kinship, friendship and, generally, 'pull,' The specific tactics, practices, devices and arrangements just enumerated have amounted in practical fact to varying modes of implementing this central pattern of unlawful criteria. The hirings at the site, the by-passing of the lists, the use of the hiring hall, when it was used at all, as a formality rather than as a place for legitimate and non-discriminatory distribution of work—all reflected the basic evil of preferring Local 46 members, relatives, friends or friends of friends in job referrals. And since the membership of this Local has for so long been almost exclusively white, the result could have been forecast: the jobs, and especially the more desirable jobs, have gone disproportionately to whites rather than blacks."

Commenting on the relationship between nepotism and racial discrimination, the Court added a sharply worded statement:

"Because courts may know what all the world knows, practices of nepotism and favoritism like those disclosed here could, and probably should, be condemned as inevitably discriminatory. . . . the Government has shown in case after case the preference of whites over blacks on grounds of nepotism or acquaintanceship. The officers of the Local did not merely acquiesce in this state of affairs; many, if not all of them, have been active participants in the pattern of favoritism and its inevitable concomitant, racial discrimination."

Under the guise of defending "merit systems" that in reality do not exist, the opponents of affirmative action are, in fact, attempting to maintain unstated but traditional discriminatory practices that result in the exclusion of blacks, women and others from desirable, high-paying, skilled jobs. A major factor in the resistance to new legal remedies is that white male expectations, based on the systematic denial of the rights of minorities, have become the norm. Thus any alteration of this norm is considered "reverse discrimination."

It should be evident that what is really involved in the debate over affirmative action programs is not that blacks and women will be given preference over white males, but that a substantial body of law now requires that discriminatory systems which operate to favor white males at the expense of women and blacks must be eliminated.

VOCATIONAL TESTS ARE MILITARY RECRUITING DEVICE

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. FORSYTHE. Mr. Speaker, I am aware of an increasing amount of controversy throughout the Nation, with regard to the military's practice of offering the armed services vocational aptitude battery—ASVAB—as a free service to high school graduates.

Personally, I have no objection to an active recruiting campaign—it is infinitely preferable to returning to the draft.

My worry is that parents and students are not being properly informed that the ASVAB is part of the recruiting campaign. Instead, efforts are frequently made to portray ASVAB solely in terms of its possible value as a tool for career and guidance counseling. This being the case, I do not see how we can expect individuals and communities to reach objective decisions or to provide informed consent.

Our distinguished colleague from Ohio, Mr. MOSHER, first called this problem to the public's attention in October, 1974, and has since followed the issue more closely than any other Members of Congress. In addition to committing his own staff resources to an ongoing investigation of ASVAB, he also initiated studies by the General Accounting Office and the Government Operations Committee.

Last November, Mr. MOSHER issued a special report entitled, "Armed Services Vocational Aptitude Battery—A Wolf in Sheep's Clothing?" Although that report received considerable coverage in a number of professional journals and newsletters, it did not get much attention in the national news media.

I think that we all should be aware of the findings contained in Mr. MOSHER's special report. In his November 6 statement, the gentleman from Ohio points out that at least $3 million of the ASVAB program's $4.8 million annual cost comes directly out of the Pentagon's recruiting budget.

He also identifies several problems in the way the test is promoted to school administrators and parents, and he proposes several very constructive changes that should be made immediately in the ASVAB program.

In order to bring our Ohio colleague's report to the attention of the House, and to make it more readily accessible to all members of the public, I will insert the Mosher report in the RECORD at this point:

ARMED SERVICES VOCATIONAL APTITUDE BATTERY—A WOLF IN SHEEP'S CLOTHING

(A special report by Congressman CHARLES A. MOSHER, Republican of Ohio)

For the past year, I have been taking a very close look at the vocational aptitude tests that the federal government makes available for use in high school guidance counseling programs. These are the Armed Services Vocational Aptitude Battery (ASVAB) and the Labor Department's General Aptitude Test Battery (GATB).

My curiosity was first aroused by an inquiry I received from a constituent in the fall of 1974. Since then, my staff has been conducting an on-going investigation. Also, at my request, the General Accounting Office (GAO) undertook a special inquiry, and several independent groups have furnished me with detailed reports.

This past summer, I asked the House Committee on Government Operations to follow up on the GAO report by exploring several specific questions. In particular, I wanted to know what distinctions there are between the two tests and to what extent coordination occurs between the Labor and Defense Departments on this issue.

Further, I asked the Committee to look into questions raised about the possible violations of students' rights to privacy and also the propriety of military personnel administering tests to civilian students.

Last week, I received a letter from Congressman Floyd Hicks (D-Wash.), Chairman of the Manpower and Housing Subcommittee, transmitting to me a report by his Committee staff on ASVAB and GATB.

Essentially, the committee's staff found that the two tests are distinctly different, serve different purposes and probably should be kept separate.

In his cover letter, Mr. Hicks told me, "The Department of Labor and the Department of Defense have made no effort to coordinate these two testing programs. These tests were developed at different times and for different purposes . . . the tests are not interchangeable and neither department believes that the tests or results of the other is useful for its own purposes."

The Labor Department's GATB was developed shortly after World War II as a tool to help counsel persons seeking to enter the civilian job market. Through the U.S. Employment Service, it is made available at cost (about 60 cents per pupil plus administrative expenses) to local high schools. Extensive and very detailed studies have been done correlating GATB scores to every possible sector of the civilian labor force.

In sharp contrast, the Defense Department's ASVAB was originally developed to aid in assigning recruits and draftees to the various Armed Forces training programs.

As the GAO reported to me, the military uses this test as a very effective recruiting device. Approximately $4.8 million was spent by the Pentagon on ASVAB last year, with at least $3 million of this money coming directly out of recruiting budgets.

The Government Operations Committee staff report finds:

"A major shortcoming of the ASVAB program is that there have not been any studies showing possible correlations between the civilian job categories and the ASVAB scores. Yet, the ASVAB is promoted on the basis that it will be of great value in career counseling, even if the student decides to enter the civilian work force. Certainly, the ASVAB scores are helpful in steering the student in the right direction, but not much more than that can be said for the ASVAB if the student decides to enter the civilian work force.

"On the other hand, if the student decides to enlist, the ASVAB is very useful. . . . The ASVAB was designed to determine whether high school students would qualify for enlistment in general and the individual [Armed Services] training courses in particular. . . .

Later, the report makes this statement:

". . . ASVAB does not cover the entire range of occupations found in the civilian sector. The ASVAB has been validated against success in military training courses, not against success in occupations found in the civilian sector. To the extent success in military courses correlates with success in certain civilian occupations, the ASVAB is a valid career counseling tool. The problem at this time, is the dearth of studies on this relationship."

On the matter of invasion of privacy, the Subcommittee's staff report found that through a legal technicality, the Defense Department avoids being in violation of the Buckley Amendment (The Educational and Family Privacy Act of 1974).

However, the report does call attention to the fact that there presently is no requirement that the school obtain parental consent for dissemination of ASVAB scores for use in military recruiting.

The staff report is critical of a Defense Department booklet, "Time for Decision," which students are given to take home to their parents, explaining ASVAB.

The staff report finds:

"The pamphlet states that: "There is no military recruiting in conjunction with the administration of ASVAB." This is technically correct, since recruiting is not allowed while the students are assembled to take the exam.

"However, the whole purpose of the testing program is to pinpoint for the recruiter the students who are mentally qualified for service so that time and money will not be wasted on recruiting the underqualified.

"Further, it gives the recruiter the information needed to contact the student, information which the Services had difficulty in obtaining before the ASVAB program went into effect.

"Finally, the recruiter can use the ASVAB scores to sell the student on a particular program which he knows the student has an aptitude for and in which he can guarantee a spot. . . ."

In previous public statements I have questioned the lack of "informed consent" from students and parents, regarding ASVAB. In July I noted that while the GAO study found most school officials aware of the recruitment purposes of ASVAB, there seemed to be little pass-through of this information to the public at large. This latest report serves to confirm my feelings about the need for better and more explicit information being given to the public.

I believe there should be a clear statement, made in advance, to students and parents that they should expect that the ASVAB scores will be used by the military as part of an overall recruiting program. There is nothing inherently evil in that fact, but I do think the public, and especially parents, have a right and a need to know about its specific uses.

Thus far, the findings of these various studies consistently show a lack of candor in the dialog with students and parents. This is most unfortunate.

Moreover, the Subcommittee's staff study reveals a certain disingenuousness in the military's dealings even with school officials. I truly doubt that many school officials appreciate that there is not a single known study that correlates ASVAB scores with civilian occupational skills. If so, this is incredible!

Having been in public office for a long while, and being familiar with the budget problems that beset most school districts, I do understand how seductively attractive the 'free" ASVAB tests can be. And I do concede that the schools that use ASVAB (15,847 schools gave the test to approximately 1.3 million students last year) do seem satisfied with the results.

Nonetheless, I urgently suggest that every school official involved in the decision-making process should weigh carefully the fact that the ASVAB testing programs has no proven value to anyone other than the Armed Forces.

And I believe each community should make a conscious, careful decision whether it is willing to accept covert military recruiting activity carried out with the official sanction of the school as the price it must pay for this "free" testing service.

I suspect that when these hidden costs are taken into account, then the GATB does not appear to be such an expensive alternative after all.

As far as I am concerned, ASVAB seems to be a wolf in sheep's clothing. I will continue my investigation of this program and I am giving active consideration to the introduction of corrective legislation, should that step prove necessary.

REMARKS OF CONGRESSMAN JOHN BRADEMAS AT CENTENNIAL COMMEMORATION, JOHNS HOPKINS UNIVERSITY

HON. PAUL S. SARBANES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. SARBANES. Mr. Speaker, on February 21, 1976, our distinguished colleague, the gentleman from Indiana, the Honorable JOHN BRADEMAS, took part in a symposium during ceremonies marking the 100th anniversary of the founding of the Johns Hopkins University in Baltimore, one of the outstanding centers of higher education in the world.

The moderator of the symposium, on "The Future of the American University" was the president of the university, Dr. Steven Muller.

Other participants in the discussion were the Rev. Theodore M. Hesburgh, C.S.C., president of the University of Notre Dame; Hedley Donovan, director and editor in chief, Time magazine; Dr. David Rogers, chairman of the Robert Wood Johnson Foundation; and Marcus Raskin, of the Institute for Policy Studies.

Mr. Speaker, I insert at this point in the RECORD the text of Congressman BRADEMAS' perceptive remarks concerning the education community on this occasion:

REMARKS OF CONGRESSMAN JOHN BRADEMAS, UNIVERSITY-WIDE SYMPOSIUM: "THE AMERICAN UNIVERSITY: THE SECOND HUNDRED YEARS", JOHNS HOPKINS UNIVERSITY, 100TH ANNIVERSARY COMMEMORATION, BALTIMORE, MD., FEBRUARY 21, 1976

I am honored to have been invited by my old friend and Oxford contemporary, Steve Muller, to take part in the ceremonies marking the one hundredth anniversary of the Johns Hopkins University.

Even as I salute Steve on the splendid leadership he is giving to Johns Hopkins, I join my distinguished colleagues in this symposium in paying tribute to one of the outstanding centers of learning in the world.

Our subject this afternoon is "The Future of the American University".

Although my father was born in Greece, I hope that I shall not be charged with ethnic chauvinism if I begin these remarks with the first lines of a poem by that extraordinary Greek, Constantine P. Cavafy, one of the translators of which, by the way, Steve, was another Oxford classmate, Edmund Keeley.

Wrote Cavafy: "Ordinary mortals know what's happening now, the gods know what the future holds because they alone are totally enlightened. Wise men are aware of future things just about to happen."

As I look at my colleagues on this panel, I must say that, measured by Cavafy's test—awareness of "future things just about to happen", President Muller has assembled some very wise men indeed and none wiser, may I note, than my friend and constituent, Father Hesburgh.

In preparing these comments on the future of the American university, I thought of a similar discussion in which I took part nearly two years ago at the Woodrow Wilson Center at the Smithsonian Institution, where the distinguished Polish Sociologist, Jan Szczepanski, spoke with considerable pessimism about the future of higher education.

Szczepanski feared that the university would be not able to adjust rapidly enough to changing social, technological and economic trends and that such adjustments might best be made in research institutions outside the traditional universities, institutions organized, for example, by business and industry.

Higher education, Szczepanski predicted, would in the future no longer serve its classic functions as creator and communicator of knowledge and preparer of persons for careers but would be left with but one role, transmitter of cultural heritage.

I am, I confess, not so despairing as Professor Szczepanski about the future of the university, at least in this country.

And yet I believe that there are certain concerns or questions that must be raised about higher education in the United States, the answers to which will determine what kinds of universities we shall have, let us say, during the rest of this century.

So let me focus on just four of these concerns. I must insist that my list is in no way meant to be exhaustive; there are many other issues which our symposium subject raises. The ones I have chosen are, however, chiefly the product of my own experience as a Member of Congress concerned with Federal education legislation.

THE ECONOMICS OF HIGHER EDUCATION

First point. The American university community must give more attention to the economics of higher education.

In 1972 Members of Congress seeking to write a program of general institutional aid to colleges and universities were frustrated by our inability to obtain from leaders of American higher education thoughtful, reasoned analyses of the issue. For example, when we tried to get a definition of financial distress, or even financial need, our inquiries fell on stony ground.

Our reaction was the principal cause of our creation in the 1972 law of a National Commission on the Financing of Postsecondary Education.

The Commission, on which I served, determined not to fashion a laundry list of bills Congress should pass to help higher education. Rather, we set ourselves the more formidable, but more necessary, task of constructing an analytical framework which hopefully would help policymakers—all those with responsibility for spending money, public or private, on higher education—do their jobs more intelligently.

I have not time here to rehearse our Commission's effort for you. I only cite this experience to make the point that if we are to justify increased expenditures on higher education, especially from public but also from private funds, at a time when there will be rising demands on scarce resources from all quarters, there must be much more reasoned, thoughtful argument, evidence and analysis about higher education than we have had before.

With respect to shaping public and private policies to support the institutions designed to advance human reason, there must be a greater degree of reason.

LINKAGES BETWEEN THINKERS AND DOERS

Second point. I believe that the future of our society as well as that of the university depends in large part on our developing more, and better, linkages between, to use an imprecise shorthand, the thinkers and the doers.

I know that some thinkers do and that some doers think.

What I am talking about, more concretely, is the spectrum of issues raised by what President Johnson used to say: "My problem is not so much doing what is right as knowing what is right."

I have in mind specifically the challenge to public policymakers, both elected and ap-

pointed, to shape some sort of sensible, viable policies for dealing with the extraordinary range of issues which confront the American government.

Here are just a few examples from my own experience and observation.

How do you measure the differing costs of educating children with different handicaps?

How do you define the "financial need" of a college or university?

What are the best ways to provide a compensatory education for disadvantaged children?

How can beleaguered Congressmen have some sensible notion of what is in a $100 billion plus defense budget and why it is there?

How can we sort out competing claims on the part of champions of various measures for energy conservation and production?

I am not so innocent that I do not know that nearly all these questions are shot through with a political dimension.

But I would also assert that a keener understanding of the substance of the issues on the part of decisionmakers, especially in government, can increase the likelihood of policies at once more rational—and so more effective—in terms of coping with the real problem, and more acceptable—and so more possible—in terms of public support.

And the future shape of the university if not the future of the university itself will be significantly affected by the kinds of linkages, or non-linkages, there are between the worlds of thought and action.

As a practicing politician often desperate for intelligence that is at once relevant and accessible, I have made my bias clear. Woodrow Wilson put the matter succinctly in a 1910 address to the American Political Science Association· "The man who has the time, the discrimination and the sagacity, to collect and comprehend the principal facts and the man who must act upon them must draw near to one another and feel that they are engaged in a common enterprise."

VALUES AND THE UNIVERSITY

Third point. Values and the university.

In the wake of Vietnam and Watergate and the wave of revelations about the enthusiasm of American free marketers for bribery both foreign and domestic, one could fairly ask, "What are our values and how do we teach them in modern America?"

I shall, however, confine myself to the observation that although I realize that the question of values and the university is a minefield, it cannot be avoided for, as Robert McAfee Brown has put it, "Colleges and universities are . . . in the values game, whether they like it or not. We decide all the time that some things are more important than other things and we make those decisions on the basis of at least an implicit value structure: a gym is more important than a new wing on the library . . ."

So, says Brown, "the task . . . is to smoke out the value assumptions behind the decisions we make . . .", and he warns that "many of the values by which colleges and universities operate are covert rather than overt."

I know that this question of values has deeply concerned Father Hesburgh and that he is undertaking some experiments at Notre Dame that may prove helpful to our appreciation of this issue.

I, at least, have little doubt that the question of how to understand values and whether to teach them and if so, how—is crucial to the future of the university and, indeed, of our entire society.

EDUCATION FOR CITIZENSHIP AND PUBLIC SERVICE

Fourth and last point. A little special pleading.

Henry Steele Commager has declared that it is time to "revive the passion for public enterprise that animated the generation of the Founding Fathers."

And he is right.

At least part of the answer to the tragedies of Vietnam and Watergate is more politics, not less, not only more informed and knowledgeable politics but more open, spirited, feisty public life.

The American university must nurture the Greek sense of civic responsibility in every person who pretends to be educated while at the same time giving far more attention to preparing talented men and women for careers in public service.

Derek Bok of Harvard only last month reminded us that "universities have never provided the education and the preparation for public service that they have traditionally offered to the major professions of law, business and medicine." And Bok asserted that "there is no more important task than the effort to provide vigorous training for officials at all levels of government."

These, then, are just four questions I would raise about the future of the American university, and my observations on them are both predictive and prescriptive: 1) better analysis of the economics of higher education; 2) more linkages between the realms of thought and action; 3) greater sensitivity to values; and 4) deeper commitment to education for citizenship.

I would be willing to hazard the proposition that the future of the university in this country will in no small degree be shaped by the awareness on the part of the university that all four represent, in Cavafy's definition of wisdom, "future things just about to happen."

LABOR AND HEW OPPOSE BLACK LUNG BILL

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. ERLENBORN. Mr. Speaker, as you know, H.R. 10760, the proposed Black Lung Benefits Reform Act, is scheduled to come to the floor next week. I oppose this bill, and during the debate will share with my colleagues the reasons for my opposition. For the present, however, I would like to call to the attention of my colleagues a letter sent to me by the Secretary of Health, Education, and Welfare David Mathews and the Secretary of Labor W. J. Usery, Jr. Both oppose this bill and their letter outlining their reasons follows:

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
THE SECRETARY OF LABOR.

Hon. JOHN N. ERLENBORN,
House of Represenatives,
Washington, D.C.

DEAR MR. ERLENBORN: This letter is prompted by a review of the provisions of H.R. 10760, as ordered reported by the Committee on Education and Labor, by the Departments of Labor and Health, Education, and Welfare. We strongly oppose this bill and wish to convey to you some of the major concerns of both Departments regarding the proposed changes in title IV of the Federal Coal Mine Health and Safety Act. H.R. 10760 would create an industry-financed trust fund to replace part C of the black lung program and would considerably extend the Federal liability under the part B program.

When enacted, the black lung program was intended to be a temporary compensation program designed to afford the States an opportunity to work with employers in developing and implementing programs in which the industries where the hazards exist would be responsible for supporting appropriate benefits. This original intent is consistent with this Administration's philosophy that the responsibility for occupational hazards belongs primarily with the employers in the industries where such hazards exist. H.R. 10760 would depart from this original intent of the program and instead further extend the Federal responsibility.

The major portion of the extended Federal responsibility would emanate from the proposed automatic entitlements for coal miners based solely on a minimum number of years of service. Such entitlements would not tie benefits to disability, as was intended when the program was enacted, but instead would provide compensation to coal miners for years of service. These disability compensation benefits should be based on disability and should not be made available without medical evidence that establishes an occupationally related respiratory or pulmonary disease. The programs currently administered by the Departments of Labor and Health, Education, and Welfare are designed to assure that miners and the survivors of miners with medically identifiable occupational diseases are fairly compensated.

Since the changes proposed by H.R. 10760 would cost the Federal Government an amount far in excess of the present program, they must be carefully weighed in light of increased pressures on the Federal budget. Generally, we are distressed by the provisions of this bill that would greatly expand Federal financial responsibilities for black lung compensation. H.R. 10760 would also dramatically broaden the eligibility criteria for black lung benefits under both parts B and C. This additional Federal cost would greatly exceed any Federal savings that would be realized by the establishment of the trust fund. This increased Federal cost is based on current estimates. We would note, however, that the actual costs of operating the black lung program have vastly exceeded the initial estimates, even discounting the cost effects of 1972 amendments.

In addition to the financial burden that H.R. 10760 would impose, the administrative problems that the bill would precipitate deserve your careful scrutiny. The Social Security Administration (SSA) is already laboring with severe backlogs in its other programs, which have resulted in long delays in processing claims and appeals. Under H.R. 10760, the Social Security Administration would be required to review 180,000 previously denied claims and process the subsequent hearings and appeals that would occur in light of new eligibility requirements. SSA would also have to launch another intensive search for potential black lung claimants, despite the large-scale public information program conducted since the beginning of the black lung program.

We are also opposed to the provisions of H.R. 10760 which would establish a trust fund. As you know, proposals to establish a national workers' compensation program are currently being considered by the Congress. The Interagency Workers Compensation Task Force, in which both our Departments participate, is engaged in a major program of research and is expected to report in 1976. Included in the research agenda on which the report will be based is the important topic of occupational diseases. In addition, further study must be completed in the area of financing benefits for occupationally incurred diseases before any changes should be made in present systems. There is then no basis to establish a trust fund for one occupational disease at this time.

Finally, we are opposed to the section of the bill added by the Committee which would provide lifetime benefits to the survivors of miners who died in mine accidents

if the miner had worked in coal mines 17 years or more. This provision would be primarily an indemnity for long service followed by death in a coal mine. Like the 25 year (and 30 year) entitlement provision in the bill, the payments would bear no direct relationship to black lung disease and would be totally inappropriate in a program designed to compensate survivors of miners who died as a result of a specific disease.

The Department of Health, Education, and Welfare estimates that enactment of H.R. 10760 would cost $204 million in additional black lung benefit payments payable under part B in the first year alone, assumed to be fiscal year 1977, and $779 million during the first five years. The Department of Labor's liability for black lung benefits would be eliminated if the bill were passed, resulting in a saving of $82.25 million over five fiscal years (FY 77–FY 81). Under the bill, the Department of Labor would have an outlay to the trust fund of $35.7 million in the first six months after enactment, but this amount would be repaid with interest from the trust fund within five years. After discounting the savings to the Treasury resulting from the creation of the trust fund, H.R. 10760 would still increase Federal benefit costs by $696.75 million in five years at a time when the President is urging that we reduce the rate of Federal spending growth.

In light of these considerations, we respectfully urge you and your colleagues to oppose enactment of this bill. We are sending identical letters to Representatives Rhodes, Perkins, Quie, and Dent.

The Office of Management and Budget advises that there is no objection to the presentation of this report, and that enactment of H.R. 10760 would not be in accord with the program of the President.

Sincerely,

DAVID MATHEWS,
Secretary of Health, Education, and Welfare.
W. J. USERY, Jr.
Secretary of Labor.

INAUGURAL ADDRESS BY THE HONORABLE JOSEPH P. RILEY, JR., MAYOR OF THE CITY OF CHARLESTON

HON. MENDEL J. DAVIS

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. DAVIS. Mr. Speaker, I would like to present to the membership of this body a recent inaugural address of the new mayor of Charleston, S.C. The Honorable Joseph P. Riley, Jr., was recently elected to serve as chief executive officer of our great city of Charleston.

I think he sets the tone of the future direction of his administration in his inaugural address which I would like to present at this time to the Members of the House:

INAUGURAL ADDRESS

Two hundred years ago Charlestonians refused to subordinate their political liberty to the British King or Parliament, and their leaders signed the Declaration of Independence, pledging their "Lives," "Fortunes," and "Sacred Honor" to the cause of freedom. Our City paid dearly in blood and treasure for her part in the American Revolution; her homes were bombarded by cannon, her people killed, and her streets were occupied. Our forebears in Charleston and throughout the nation paid dearly for the right to declare: "All men are created equal."

We celebrate today, therefore, this democratic form of government—hard won and vigorously defended by all of us—Democrats, Republicans, Independents, black and white, rich and poor, young and old. And further, we celebrate a decision made by our citizens in this election to reject division, polarization and prejudice—a decision to take the high and difficult road to mutual trust and respect. Fundamentally, we are but one people committed to the right to choose the directions our government will take. We celebrate this commitment in this ceremony, for this deeply-held belief in self-determination which guided our revolutionary forebears, this ancient and venerable form of government, is very much alive in Charleston today. And for that we should all give thanks.

The Revolution which gave birth to our democracy was caused by the colonists' fear of oppression by a government in which they were not properly represented. Today, two hundred years later, the nature and extent of representative government is still a changing and dynamic concept. The new City Council represents small and distinct districts—single member districts—and not the electorate at large. Some among us fear this change. We should not fear it—we should welcome it. Free and full debate, a hearing of all varieties of political opinion is the healthiest method of government. We have nothing to fear from honest disagreement about how people should govern themselves. Jefferson stated two centuries ago that: "Sometimes it is said that man cannot be trusted with the government of himself. Can he then be trusted with the government of others?"

Let us begin, therefore, pledging as our forebears did two hundred years ago, our lives, fortunes, and sacred honor to the principle of representative government in our City, to full and free debate, to honest differences of opinion and to a tolerant, open and respectful attitude toward all who participate in our municipal democracy.

I want to stress that our community needs, and deserves, civility, courtesy, kindness, and tolerance in the government of this City. We are faced, tragically, with long standing urban problems in a period of economic recession. The easy way would be for our community to divide, for each faction or segment to retreat into its shell and ignore its neighbor's problems. The easy way would be to take narrow and selfish positions and never compromise, to leave the problems of housing to the East Side, to leave the problems of transportation to West Ashley, to leave preservation to downtown, and to leave the redevelopment of our central business district to the merchants. But I reject, and I believe our community in this past election rejected, that approach. Because we are but one community and those things that affect one segment directly, indirectly affects us all. We must take the hard way—the patient, sometimes trying approach of listening to our neighbors, of hammering out solutions in an atmosphere of concern and tolerance.

What do we hope to accomplish in the next four years? What must we accomplish?

Crime in our streets has reached such proportions that it threatens, like a cancer, the very fabric of our society. No government and no society can exist with crime at epidemic proportions. I will propose a comprehensive anti-crime package in the early days of this administration. Solutions to the problem of crime have eluded the best minds in the nation. Plato wrote long ago, "Justice would be a simple matter, if men were simple." But we must find solutions in the neighborhoods, in storefront police stations, in the team patrol concept, in safety codes to make our homes and businesses more crime-proof, in improved police-community relations, in more police on the street, in judicial reform, and improved recreational and job opportunities for our young. A government which is unable to protect its citizens does not deserve the name of government at all.

This Administration will be committed to the economic progress and development of all of our citizens. In this recession economy, we must search for more and better jobs, we must seek out profitable, appropriate and environmentally acceptable businesses to locate in our City.

Our concern with housing will be a deep and continuing concern. This Administration will be vigorous in pursuing every dollar of federal and state assistance to improve our housing, develop our neighborhoods, and thereby improve the health and environment of our citizens. We will vigorously enforce the housing and building codes to insure that our citizens receive decent, safe and sanitary housing.

This Administration promises innovation on King Street—downtown and uptown. There are no miracles in redevelopment, but our goal is a lively, interesting, enjoyable and dynamic central shopping district. A city must have life and activity, and a shopping district that is safe, lively and innovative is high on our list of priorities.

To our neighbors North and West of our City and on James Island, we offer a special pledge: to consider annexation carefully with our eyes open. The City of Charleston has much to offer you and, after careful study and deliberation, and, after both of us have debated and considered the issues, hopefully we will find annexation to be in both of our interests. Charleston must grow and you deserve the better government services that we can make available.

This Administration is vitally concerned with transportation. The speedy building of the James Island Bridge and the completion of the Inner Belt Freeway are matters which this Mayor will attend to immediately. We will not neglect long range solutions either—in the form of improved public transportation.

Government often wrongly concentrates on the construction of public buildings and ignores the need to first build the human spirit. What good is a gymnasium if the neighborhood children cannot find within its walls a concerned coach, a constructive program, a willing volunteer? What good is a swimming pool without instructors, community interest, healthy competition, and a feeling of achievement and belonging? What good is an art gallery if all of our children, black and white, rich and poor, do not have full access to its facilities? And what good are any facilities if we cannot attend community programs because we fear to walk our streets? The monuments to this Administration's accomplishments may not be visible in marble or brick; rather in fewer of our children falling prey to a life of crime and more, many more in constructive jobs and professions; increased business in our shopping district, and a lively and exciting atmosphere on King Street; a citizenry that has trust and confidence in government. We shall seek—"unwritten memorials . . . graven not so much on stone as in the hearts of people."

There will be increased participation in this Administration by all. Our City Boards, Commissions, and personnel must reasonably reflect our population. There will be more blacks and more women in positions of authority. As Martin Luther King wrote from a Birmingham jail, "Too long has our beloved Southland been bogged down in a tragic effort to live in a monologue rather than a dialogue." We are all mutually dependent in Charleston. None can lose in a joint effort to solve our civic ills; none can gain from hatred and intolerance. Dr. King's daughter in a recent speech put it more poetically: "We may have come over in different ships, but we are all in the same boat today."

I pledge to maintain an open administration where all voices can be heard and considered. I invite responsible and constructive criticism for this will strengthen and improve our government.

And even as we contemplate the problems and the solutions, we should count our blessings. The historic district of our City is a tribute to the care with which we have conserved our buildings and houses. I pledge a continual effort to conserve this great asset and to encourage greater and wider use of conservation techniques. The bulldozer and insensitive development are as inappropriate in our historic district as they are on the East Side. Charleston pioneered preservation efforts in America, passing the first historic district ordinance in America. We need to bring this pioneering and creative spirit to all of our neighborhoods so that all the nation will learn from Charleston that respect for neighborhoods and comfortable houses are not limited only to the wealthy. The pleasing physical features of our City are important, but our community spirit, our attitudes—that our City must be alive and progressive, humane, as well as beautiful—are essential: Rousseau said, "Houses make a town, but Citizens make a city."

Yet, we must realize that progress and preservation are not mutually exclusive terms. Too often we have allowed ourselves to become polarized on this issue. Our City needs life, new residents and new businesses. We cannot let it become a museum, for it will surely die; but we must insure that development in our old and historic district, as well as in any neighborhood of our City, be done in balance with the surroundings. And this can be done.

We should never forget that we live in a noble city, a city which fought for liberty and the equality of man in the American Revolution, a city which has known devastating defeat in the Civil War and lived on hope in the aftermath—yearning as Du Bose Heyward phrased it for "an ancient, beautiful city that time had forgotten before it destroyed." Because we have no illusions, we can plan the future realistically, and because we have known frustration and defeat, we can plan the future humanely.

Today we assume our offices in the most difficult of times. It is becoming increasingly difficult for our cities to be able to provide the level of services our citizens require. Fiscal responsibility must be our watchword. Yet we cannot allow the difficulties of the times to withdraw from responsibility and creativity. Dante wrote "that divine justice weights the sins of the warm hearted and the cold-blooded on a different scale. Better the occasional sins of a government living in the spirit of human compassion than the constant omissions of a government frozen in the ice of its own indifference." We cannot afford to, and we will not, be indifferent to the need to eliminate our ghettos that breed not only crime, but contribute to the vicious cycle of poverty and ignorance. We cannot be indifferent to the alienation felt by many of our citizens to whom government has never been responsive. We cannot be indifferent to the fears of our citizens who our City is not safe. We cannot be indifferent to the thousands of our citizens snarled in traffic jams every day. We cannot be indifferent to our youth who are on the streets because our recreational programs are insufficient and for whom there are too few job opportunities. We cannot be indifferent to a central business district that is sick and needs to be revitalized.

For the question asked of us is nothing less than "Can our City survive as a safe, happy, economically vigorous and fiscally responsible place for human beings to live and work together?"

Our present diversity should be our strength, not a weakness and, as this new chapter in Charleston's history opens, I call upon all of you to join with me and with City Council in a new age of tolerance, harmony and creativity.

The successes of this Administration will be earned not by this Mayor and City Council, but rather by the collaborative efforts of an aroused and enlightened community. Every citizen must assume part of the responsibility, to contribute the time, energy, spirit, and imagination that is needed to solve our urban problems. The word "citizen" will take on new meaning today in Charleston, for this Administration will be seeking more participation and more dedication from each Charlestonian than ever before.

And finally, as a great leader once said, "With a good conscience our only sure award, with history the final judge of our deeds, let us go forth to lead the City we love asking His blessings and His help, but knowing that here on earth God's work must truly be our own."

MONTHLY LIST OF GAO REPORTS

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The February 1976 list includes:

MONTHLY LIST

Audit of Federal Crop Insurance Corporation Fiscal Year 1975. FOD-76-8.

Examination of the Rural Telephone Bank's Financial Statements for Fiscal Years Ended June 30, 1975 and 1974. FOD-76-9.

Identification of Food Stamp Issues. OSP-76-10.

Selected Views and Issues Related to Regulatory Reform in the Transportation Industry. OPA-76-13.

Department of Transportation's Cargo Security Programs. B-169347.

Career Education: Status and Needed Improvements. MWD-76-81.

Improvements Needed in Administration of Benefits Program for Injured Workers under the Longshoremen's and Harbor Workers' Compensation Act. MWD-76-56.

Progress and Problems in Allocating Funds under Titles I and II—Comprehensive Employment and Training Act. MWD-76-22.

Summaries of Conclusions and Recommendations on the Operations of Civil Departments and Agencies. MWD-76-57.

Federal Employees Need Better Information for Selecting a Health Plan. MWD-76-83.

Part-time Employment in Federal Agencies. FPCD-75-156.

Alleged Improper Personnel Practices at the Drug Enforcement Administration. FPCD-76-27.

Financial Disclosure System for Employees of the Food and Drug Administration Needs Tightening. FPCD-76-21.

No Apparent Need to Regulate Commercial Preparers of Income Tax Returns. GGP-76-8.

Occupational Taxes in the Alcohol Industry Should Be Repeated. GGD-75-111.

Progress and Problems of the Government's Utility Conservation Program. LCD-76-311.

Examination of Financial Statements for the Year Ended December 31, 1974. FOD-76-4.

Why NASA's Property Accounting and Control System Should Be Improved. FGMSD-75-27.

Space Telescope Project. PSAD-76-74.

Land Satellite Project. PSAD-76-74.

Need for More Uniform Application of the Presumptive Disability Provision of the Supplemental Security Income Program. MWD-76-2.

Financial and Legal Aspects of the Agreement on the Availability of Certain Indian Ocean Islands for Defense Purposes. ID-76-30.

U.S. Dependence on Imports of Five Critical Minerals: Implications and Policy Alternatives. ID-75-82.

Review and Evaluation of the Office of Inspector General of Foreign Assistance. ID-75-81.

Tax-Free Salaries of the International Development Banks Exceed Those of All Member Governments. ID-76-38.

Role of the International Atomic Energy Agency in Safeguarding Nuclear Material. ID-75-65.

Summaries of Conclusions and Recommendations on Department of Defense Operations. PSAD-76-68.

Subcontracting by Department of Defense Prime Contractors: Integrity, Pricing and Surveillance. PSAD-76-23.

The F-15 is an Example of How Weapon Systems Support Cost Can Be Reduced. LCD-76-403.

Implementation of Emergency Loan Guarantee Act. PSAD-76-63.

Fuel Savings and Other Benefits Achieved by Diverting Department of Defense Passengers from Chartered to Scheduled Overseas Flights. LCD-75-231.

Problems Resulting from Management Practices in Recruiting, Training, and Using Non-High-School Graduates and Category IV Personnel. FPCD-76-24.

The Air Force Should Use Both Contract and In-House Services for Maintaining Military Family Housing at Dover Air Force Base. FPCD-76-34.

Reduction of Civilian Personnel at New London, Connecticut, Naval Installations. FPCD-76-22.

Southeastern Federal Power Program—Financial Management and Program Operations. RED-76-47.

Federal Programs for Research on the Effects of Air Pollutants. RED-76-46.

Improvements Needed in the Land Disposal of Radioactive Wastes—A Problem of Centuries. RED-76-54.

Implications of Deregulating the Price of Natural Gas. OSP-76-11.

Federal, State, Local and Public Roles in Constructing Waste Water Treatment Facilities. RED-76-45.

The Integrated Grant Administration Program—an Experiment in Joint Funding. GGD-75-90.

Additionally, letter reports are summarized including:

GAO comments on deferrals and proposed rescissions of fiscal year 1976 budget authority totaling $63.2 million. ACG-76-13.

Release of $202.8 million of impounded budget authority for the Department of Agriculture and the Environmental Protection Agency. ACG-76-14.

Release of impounded funds for the Department of the Interior's Columbia Basin Irrigation Project. ACG-76-15.

GAO comments on proposed impoundments of $32.1 million in budget authority for the Departments of Health, Education, and Welfare; and Housing and Urban Development, ACG-76-16.

Estimates of the effects on the price of first-class postage of various subsidies in fiscal years 1976, 1977, and 1978. GGD-76-19.

Information on cost-effectiveness studies for the B-1 bomber. PSAD-76-60.

Impact of a proposed change in the rate of progress payments made to Department of Defense contractors. PSAD-76-7.

Defense Contract Audit Agency decision to close its Milwaukee, Wisconsin, branch office. FPCD-76-30.

Reasonableness of estimates of the cost to

install new wings on the C-5A aircraft. PSAD-76-15.

Costs of the proposed Toxic Substances Control Act. OPA-76-12.

Government Buy American policies regarding stainless steel tableware. PSAD-76-40.

Improvements needed in Defense Fuel Supply Center procedures to assure that the Department of Defense buys petroleum at fair and reasonable prices. PSAD-76-51, PSAD-76-52.

Has police training been terminated at the U.S. Army School of the Americas in Panama? ID-76-27.

Department of Defense implementation of the concept of line-item control of contractors' independent research and development and bid and proposal costs. PSAD-76-54.

Retirement disability benefits paid by the Department of Defense and compensation paid by the Veterans Administration to retired general and flag grade officers. MWD-76-47.

Accuracy and completeness of 1972 National Science Foundation staff memo on Individualized Science Instructional System. MWD-76-78.

Benefits and costs of the Corps of Engineers' Big Pine Lake Project. RED-76-27.

Availability of surplus military jeeps for sale to the public. B-168492.

Provisions in the Foreign Assistance Act for cutting off aid and loans to countries involved in narcotics trafficking. B-176095.

Government Printing Office's procurement procedures. LCD-76-409.

Constituent's problem in obtaining the Federal Register. B-114829.

Cost to taxpayers for printing transcripts of Presidential tapes submitted to the House Judiciary Committee. B-133209.

Constituent's complaints about distribution of the Federal Register. B-156248.

Information on print orders awarded by the Government Printing Office. B-114829.

How the Government Printing Office handles requests for publications. B-114829.

The Air Force's Medical Materiel Accounting System is operating in accordance with the system design approved by the Comptroller General. FGMSD-76-35.

Validity of exemptions granted Hewlett-Packard Company from requirement for submission of certified cost or pricing data in support of proposed prices. PSAD-76-62.

The Department of Defense needs to set quality standards for X-ray film used in military hospitals. MWD-76-75.

The Department of Defense could save money and fuel by shipping cargo on scheduled commercial flights instead of using charter flights. LCD-76-214.

Observations on the Department of Agriculture's centralized travel advance and travel payment operations. FGMSC-76-38.

Ways to improve the Social Security Administration's program of paying benefits to disabled workers. MWD-76-82.

The Environmental Protection Agency needs to determine whether an accreditation or inspection program is necessary to insure that nongovernment laboratories provide accurate, reliable, and objective safety and efficacy data on pesticides. RED-76-63.

The Department of Defense could save about $1.3 million annually by using Government-owned, rather than commercial warehouses for storing household goods of military personnel in the San Francisco and San Antonio areas. LCD-76-210.

The Monthly List of GAO Reports and/or copies of the full texts are available from the U.S. General Accounting Office, room 4522, 441 G Street NW., Washington, D.C. 20548. Phone (202) 275-6241.

Summaries of significant legal decisions and advisory opinions of the Comptroller General issued in January 1976 are also available as follows:

Contractor's Alleged Misuse of Another Firm's Proprietary Data. B-182991, B-182903.

Revised Cost Data Renders Technical Proposal Unacceptable. B-183677.

Surplus Dealer Entitled to Equality with Manufacturer in Government Competition. B-183075.

Agency Held to Constructive Notice of Change in SBA Size Standard. B-184430.

Use of Counterpart Funds by Congressional Committee.

Travel Between Home and Office for Voluntary Overtime on Non-Work Days. B-171969.

Government Payment of Expenses of New Community Developers. B-170971.

Eligibility for Temporary Quarters Subsistence. B-184024.

Use of Indirect Cost Rates for Sea Grant Funds. B-158371.

If you need further information regarding these or other decisions, please call (202) 275-5028 or write to the General Counsel, U.S. General Accounting Office, Washington, D.C. 20548.

HUMAN RIGHTS AND DEMOCRACY IN NORTH AND SOUTH KOREA

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. CRANE. Mr. Speaker, the International Security Assistance Act of 1976, as just reported from the International Relations Committee contains provisions for the termination of U.S. military assistance to any nation which persistently engages in gross violations of human rights—as determined by certain international organizations—unless the President certifies overriding reasons why aid should be continued.

There has been considerable discussion in this Congress regarding this issue. I believe all of us in this body are concerned about the protection of human rights in all nations and would like to see a world in which all men and women enjoyed the same rights that Americans have secured for themselves.

I would like to call to the attention of our colleagues a perceptive essay on this question in relation to a specific nation, one of our allies, the Republic of Korea.

Mr. Jeffrey B. Gaynor, director of foreign policy studies for the Heritage Foundation and Mr. James Streeter, legislative assistant to Senator JAMES MCCLURE, are the authors of "Human Rights and Democracy in North and South Korea" which will be published this month by the Council on American Affairs in a volume entitled "Korea in the World Today." I might add that this study will also include chapters by Senator JAKE GARN, of Utah, and Congressman JOHN MURPHY, of New York.

Gayner and Streeter have analyzed the issues involved in this long-standing controversy and have compared the status of human rights in North and South Korea. They point out that while the South Korean Government does have some restrictions on civil liberties the Government of North Korea on the other hand is probably the most repressive in the world.

I believe this is a timely, careful, and balanced study and I commend it to our colleagues:

HUMAN RIGHTS AND DEMOCRACY IN NORTH AND SOUTH KOREA

(By Jeffrey B. Gayner and James Streeter)

INTRODUCTION

In the summer and winter of 1974 and again in the spring and summer of 1975 subcommittees of the House International Relations Committee held a series of hearings on the status of human rights in Korea. Even with the collapse of resistance to communist aggression in Indochina and the shirt in strategic analysis to Korea as a potential source of major power confrontation, the major interest in the Congress, when they formally dealt with Korea, continued to focus upon the issue of individual liberty. Similarly the two most influential newspapers in Washington, the *Post* and the *New York Times*, as well as the great television network troika have also provided extensive treatment of the human rights issues.

I. THE NATURE OF INDIVIDUAL LIBERTY IN KOREA

Various terms most frequently used to discuss the status of liberty or the nature of repressive regimes include "human rights," "civil liberties," "civil rights," or "political prisoners." All but the first of these terms are usually misleading because civil rights or liberties consist of those freedoms explicitly guaranteed by the responsible governing authority. Similarly, most countries, whether North or South Korea or the Soviet Union or the United States, maintain that they never imprison people simply for their "political beliefs" but instead because they violated some specific law. Only "human rights" are sufficiently vague to be defined in a universal and arbitrary manner.

In testimony before the House International Relations Committee, Donald L. Ranard referred to questions "regarding human rights" in Korea as "principles which are embodied in our Constitution, and in the universal Declaration of Human Rights." [1] In a like manner various church groups have taken a keen interest in developments in Korea and have used a similar standard for judging the actions of the Park government. Speaking before the same House committee, the President of the National Council of Churches, Rev. Dr. W. Sterling Cary referred to one of his organization's pronouncements that even more broadly stated: "Denials of rights and freedoms that inhere in man's worth before God are not simply a crime against humanity; they are a sin against God." He then proceeded to denounce "the excessively repressive conduct of the government of President Park." [2]

Of all the testimony submitted to the Congress, undoubtedly the most detailed documentation concerning human rights in South Korea was presented by William Butler, an attorney acting as an official for Amnesty International. In this case Butler accumulated evidence and testimony over a period of two weeks in Seoul. He received substantial cooperation from the government and interviewed numerous dissidents in Korea and attorneys for many of the persons either standing trial or imprisoned. His report clearly demonstrated that in numerous cases persons have been arrested, tried, and found guilty of violating the emergency decrees issued by Park under authority granted him in the Yushin Constitution.

In his report he contended that he had numerous stories relating the use of torture,

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Footnotes at end of article.

however, "Specific evidence . . . of prisoners physically maimed, except in one instance, is most difficult to find." [3]

Overall, his report cited a total of 1500 arrests over a period of two years for what he considered political crimes. Of those arrested, 1100 were then "incarcerated in civilian and military prisons throughout the Republic of Korea." [4]

Thus in a country of 33 million a relatively small number of people are involved in the controversy surrounding the deprivation of human rights; although each case when depicted by an individual person acquires a very compelling human dimension.

Both the standards used to judge the government in Seoul and the list of abuses of those standards derive from a perspective of events in the United States which has a two hundred year, somewhat spotted, tradition of observing her own Bill of Rights. Moreover, the United States does not have an enemy nation with approximately equal military force located 30 miles from Washington. Thus the most basic question seldom squarely faced is whether one can expect South Korea to reflect John Stuart Mill's views of a liberal democracy given the exigencies of their present and historical situation.

The South Koreans will point out that the war has never officially ended and only an uneasy truce prevents a restoration of hostilities. They note that during the American Civil War Lincoln arbitrarily suspended the writ of habeas corpus and frequently stretched or ignored other portions of the American Constitution. More recently during World War II the American government forcibly interned American citizens of Japanese ancestry with no legal scruples. And within the past few years the British have enacted an internment policy in Ireland that clearly ran counter to their common law tradition. President Park himself has alluded to "a grim fact of modern history. Democracy is like a plant that is very sensitive to its environment. It cannot grow the same in every soil and in every climate." [5]

Naturally rather arbitrary and conflicting judgements arise over the particular circumstances that exist on the Korean peninsula and whether they justify the measures undertaken by the Park government in recent years. Rep. Donald Fraser, Chairman of the House subcommittee investigating human rights has pointedly asked: "Does the Government of Korea underscore the threat from the North to justify the deprivation of human rights upon the Korean people?" Responding to this question on behalf of the State Department, Hon. Philip C. Habib, Assistant Secretary of State for East Asian and Pacific Affairs replied that the Korean "perception of the threat" is "valid."

Park's own personal honesty has helped sustain his broad public support. In an article in *Foreign Policy*, Selig Harrison reflected on the importance of Park's personal prestige: "The saving grace for Park has been a degree of insulation from attack provided by his long-standing reputation as a man of spartan probity who has avoided personal corruption." [6] One may well question Park's perception of the situation, but he appears motavited more by genuinely nationalistic considerations rather than the pursuit of personal aggrandizement.

II. DEMOCRACY IN SOUTH KOREA

Rather than the heavy handed seizing of more and more power for himself, Park has gone to the people on five separate occasions and received their vote of confidence. This aspect of Park's rule has never been sufficiently examined. The basic authority that Park has used in order to restrain some groups from publicly opposing the government have been adopted by the people as part of the law of the land. Park himself secured election to the office of President three times. In what even his critics acknowledge were fairly open democratic elections Park initially won by a narrow margin of only 1.5% of the vote in 1963, but his majorities rose to 1,162,000 in 1967 and 900,000 in 1971.

In 1972, however, he declared martial law, dissolved the National Assembly and promulgated the Yushin Constitution. Even in this instance he took his case before the people in a referendum in November, 1972, in which 91.9% of the electorate participated. The new Constitution received approval from 92.8% of the Korean voters. Some questions have been raised about the nature of this election, but a team of United Nations observers declared the vote a fair one.

In another referendum on this same constitution in February, 1975, 80% of the people participated with 74% expressing support. Park secured overwhelming approval everywhere in the country except the major cities, such as Seoul, where a majority voted against the document.

The magnitude of the majorities and subsequent events in Korea indicate that most Koreans approve of the present system of government which has vested much greater authority in the President. Opponents clearly exist, but they constitute a minority of the people. The new democratic party and other opposition groups now hold about a third of the seats in the National Assembly; they strongly criticize some of the government's policies while even more strongly supporting a free independent South Korea. Newspapers also do not hesitate to attack the government, though some have been restricted on National Security grounds. Thus the great democratic dilemma may well be posed in Korea as a clear majority expresses its democratic will by voting extraordinary powers on a President that can constrain open political activities, for the sake of National Security.

Regardless of the wishes of most of the people of South Korea, with the opposition centering in Seoul, the capital, they seem to receive a disproportionate amount of attention. As an American professor of Korean ancestry has testified, "Korea is a very elitist and centralized country, and when you talk about politics and economy, Seoul is really the center of it and it is really the most important area." [7] Prof. Franz Michael has referred to the great need in Korea for a "reconciliation between two types of elites"—those in the government and those in the intelligentsia.[8] The Rev. Michael McFadden, who has spent most of the past twenty years in a rural parish in Korea, complains that too much attention has gone to "the intellectual elite mainly in Seoul." This has led to "an emotional summary of dissident factions and elements" dominating discussion of Korea. On the other hand, in the countryside where 75% of the people live "you find most of the people for President Park because of the tremendous economic gains that have been made through the Saemual Movement. In all of the committee reports that I have read, I haven't seen one bit of emphasis put on the Saemaul Movement." [9]

Besides the intellectual dissent against park centered in Seoul, the capital also serves as headquarters for the main opposition political organization—the New Democratic Party. The leader of this party, Kim Young Sam, rather freely attacks President Park. In an interview with a reporter from the *Christian Science Monitor* last summer, Kim agreed that "as a result (of the Communist victory in Indochina), we have engaged in less criticism, but we remain unchanged in our aim of obtaining the restoration of democracy . . . and more freedom." He stated that "The government should stop oppressing the people and should let them support the government voluntarily, with their own minds and hearts, and should let the people devote their lives to the cause of the nation of their own will." [10]

Other opposition parties also exist which attack Park and his policies, such as the Democratic Unification Party, headed by Yang El Dong. But even before Park assumed extraordinary powers his opponents have spent more time fighting among themselves than uniting to form a viable political alternative to Park.

Given the circumstances in Korea, as a former American Foreign Service officer and staff member of the Council on Foreign Relations has written, "The mere fact of the existence of a democratic opposition in Korea is a success story." [11]

III. THE NATURE OF THE NORTH KOREAN GOVERNMENT

Ironically, one of the main defenders of democracy in South Korea is none other than the North Korea President Kim Il Sung. He has maintained that prior to the restoration of discussions with South Korea, the Park government must restore democracy. In an interview with the Tokyo daily *Mainichi Shimbun*, Kim argued: "If they really want to achieve national reunification they should not arrest citizens working for democracy and keep them in jail." The struggle between the two sections of Korea, according to Kim, "is a struggle between patriots and traitors, not a struggle between communism and democracy." [12]

The comments by Kim Il Sung and the nature of his government help bring a sense of proportion to the question of human rights and democracy in Korea. In a cover story last year in the *Far Eastern Economic Review* devoted to North Korea, the authors concluded that "no matter how authoritarian Park's administration may be, it is the personification of perfect democrary compared with the Byzantine power-play in hermetically sealed Pyongyang." [13]

Rough parallels exist between the two countries that do prove quite illuminating. While Park has ruled the South for the past 15 years and been elected three times to office, Kim Il Sung has been the only ruler of North Korea since its founding in 1945 under the guidance of the Soviet Union. Only Enver Hoxha in Albania and Tito in Yugoslavia have ruled longer than Kim in the communist world. Kim has never stood for an open election but instead has simply maintained power through rigid control over the communist apparatus in the country.

While Park has foresworn personal adulation, Kim has consciously created a personality cult about himself that even surpasses that accorded Mao Tse-tung at the height of the Chinese cultural revolution. Moreover, he has been credited with the ability "to fly over the sky at will by utilising a method to contract space." [14]

Rather than establishing rule according to Marxian principles, Kim has developed nepotism to an extent never before seen in the communist world. Not only has Kim groomed his son, Kim Jung Il for the number two spot in the government, but his younger brother holds the sixth position in the politburo. More broadly the governing apparatus resembles something of a monarchy: Kim's second wife is chairman of the Central Committee of the Women's League.

"Vice President Kany Yong Wook is Kim's grandfather-in-law. A female cousin, Kim Jung Sook, is deputy chairman of the North Korean Labour Federation. Her husband is Huh Dam, a prominent figure in the Central Committee and a Cabinet Member. Her sister is Kim Sin Sook, deputy director of the ideological Institute of National Social Science Research. This woman's husband is Yang Hyung Sup, a Central Committee member, Politburo candidate, and KWP secretary for ideology." [15]

The rigid authoritarian regime of Kim has intruded into every aspect of the people's

Footnotes at end of article.

lives in North Korea. Private property has been nearly abolished. The Government has suppressed the practice of Buddhism, Confucianism, Christianity and animism. In order to break up the ancient family traditions in Korea the lineage records have been burned. Previous forms of culture have been replaced with the revolutionary opera which simply further reinforces the reigning ideology. In the anti-American opera "A True Daughter" the heroine is a Korean war nurse whose dying words are, "Comrade party cell chairman, here's my monthly party fee." [16] A mixture of class hatred and adulation for Kim Il Sung dominates all forms of theater in North Korea.

The enormous dose of ideology impregnating all aspects of society has lead to an extremely sterile existence in North Korea and effectively thwarted any substantial economic progress. Thus even though the northern half of Korea has abundant natural resources compared to the south, they have continued to fall further and further behind economically.

Thus in the status of both liberty and economic advancement the gap between the North and the South grows wider. However, in hearings on human rights and wire and television reporting on Korea, mention is seldom made of the situation in North Korea compared to the South.

FOOTNOTES

[1] Washington Post, June 30, 1975, p. A22.

[2] "Human Rights in South Korea: Implications for U.S. Policy," Hearings before the Subcommittee on Asian and Pacific Affairs and on International Organizations and Movements of the Committee on Foreign Affairs, House of Representatives 93rd Congress, 2nd Session 1974, p. 104.

[3] Ibid., p. 74.

[4] Ibid., p. 36.

[5] Edwin F. Black, "Korea: Land of Interim Peace.", Asian Affairs, Sept.-Oct. 1975, Vol. 3, No. 1, p. 10.

[6] Selig S. Harrison, "One Korea," Foreign Policy, Winter, 1974–75, p. 45.

[7] Jai Hyon Lee, Hearings, 1975, p. 258.

[8] Ibid., p. 251.

[9] Ibid., p. 250–51.

[10] Daniel Southerland, "Political Foes Lie Low in South Korea," Christian Science Monitor, July 8, 1975.

[11] Zygmunt Nagorski, Jr., "Standing Up for Korea," New York Times, June 14, 1975 (Op-Ed page).

[12] Atlas World Press Review, February, 1976, p. 19.

[13] "Kim: Keeping the North in the Beloved Family," Far Eastern Economic Review, May 16, 1975, p. 28–29.

[14] "North Korea," Asia Yearbook, 1976, p. 237.

[15] "Kim: Keeping the North in the Beloved Family," pp. 31–32.

[16] John M. Lee "Opera in Pyongyang Is Revolutionizing Experience," New York Times, May 18, 1972.

TESTIMONY GIVEN BEFORE THE SUBCOMMITTEE ON THE HANDICAPPED

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. DODD. Mr. Speaker, at this time I include in the RECORD the text of testimony which I gave yesterday before the Subcommittee on the Handicapped of the Senate Committee on Labor and Public Welfare.

The subcommittee is holding a series of oversight hearings on the Rehabilitation Act of 1973 in order to determine if the act needs amending to protect the handicapped from job discrimination by Federal contractors, entities receiving Federal financial assistance, and the Federal Government itself.

Mr. Speaker, my investigations have clearly demonstrated to me the need to amend this act, and therefore, I hope my colleagues will give this matter their consideration.

The text follows:

STATEMENT OF U.S. REPRESENTATIVE CHRISTOPHER J. DODD BEFORE THE SUBCOMMITTEE ON THE HANDICAPPED OF THE SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE

Good morning: I want to thank you for allowing me to testify before you this morning, on the Rehabilitation Act of 1973, specifically the civil rights provisions of this legislation—sections 501, 503, and 504.

It is my belief that we as a nation have been grossly negligent in failing to act to eradicate the barriers of discrimination which the mentally and physically disabled face in both the public and private sectors of our society.

The Rehabilitation Act of 1973 stands as an affirmative step by the Congress to remove these discriminatory barriers at least from the Federal Government, Federal contractors, and recipients of Federal financial assistance.

However, we must go beyond the protections afforded the handicapped in the Rehabilitation Act, and prohibit private discrimination in the areas of employment, architecture, housing, and transportation.

To this end, last year I introduced legislation to prohibit discrimination against the mentally and physically disabled in housing and employment, and last fall conducted an extensive hearing on private employment discrimination to develop a background record of the problems that the handicapped face in this area.

I have requested, and will continue to work for hearings before the House Judiciary Subcommittee on Civil and Constitutional Rights, to which I belong, on discrimination against the mentally and physically disabled in the areas of housing and employment.

Unfortunately, even with the civil rights provisions already enacted by Congress in the Rehabilitation Act of 1975 specifically sections 501, 503, and 504, there has been little elimination of discrimination against the handicapped. This is a result of (1) an utter lack of enforcement by the Federal Government of these sections and (2) the failure of these laws to provide adequate complaint procedures and penalties so as to insure compliance with them.

At my request, the General Accounting Office undertook a study of the implementation of sections 503 and 504 of the Rehabilitation Act of 1973. This report issued last August, disclosed that three years after enactment there has been minimal enforcement of section 503, and that no enforcement mechanism has yet been devised by the executive branch to implement section 504.

As you know, section 503 requires all Federal contractors with contracts in excess of $25,000 to take affirmative action regarding employment of the handicapped. Section 504 prohibits discrimination against an otherwise qualified handicapped individual by any recipient of Federal financial assistance.

It is a disturbing and disheartening commentary on the commitment of the executive branch to civil rights for the handicapped that the President can expediently devise an executive order making major changes in the intelligence operations in this country, but be unable or unwilling to issue an executive order to provide an enforcement mechanism for section 504.

Besides the only recent preparation by HEW to issue proposed regulations regarding section 504's application to its programs, there has been no positive action by the executive branch to enforce section 504 since its enactment.

It took a letter from five Members of Congress specifically requesting action to enforce section 504, for the White House to even recognize there were problems in the enforcement of section 504.

After agreeing with us that the Federal Government had failed in its civil rights responsibilities toward the handicapped, the White House then informed me it was beginning work on an executive order to correct these enforcement deficiencies.

Yet more months have passed since that exchange, and despite repeated followup with the White House, there still is no executive order.

And while some of the indications from the White House sound promising I seriously question whether it would be responsible for us in the Congress to let the civil rights of the handicapped rest on either promising rumors, or administrative inertia of the executive branch.

The executive has ignored the will of Congress as expressed in section 504, and has taken advantage of the lack of specific enforcement mechanism in the act to sit back and do nothing for three years.

In light of the fact that your subcommittee is presently conducting oversight hearings on the Rehabilitation Act, I would respectfully suggest that perhaps the most effective way to insure that the mandate against discrimination is carried out in section 504, is to amend the act.

I would suggest an amendment to provide a specific procedure for the enforcement of the rights afforded the handicapped under this section, similar to the enforcement mechanism provided by section 2000d(1) of title VI of the Civil Rights Act of 1964.

Section 2000d(1) states that each Federal department and agency which is empowered to extend Federal financial assistance is authorized and directed to effectuate the provisions of section 2000d of the title which prohibits discrimination by recipients of Federal financial assistance.

Compliance is effected by termination of or refusal to grant assistance where there is a finding made on the record, after opportunity for a hearing, of failure to comply with such a non-discrimination requirement.

However, no action may be taken by any agency, until it has been determined that compliance cannot be secured by voluntary means.

While it is true that termination of funds has been very infrequent under title VI, the real strength of the enforcement mechanism is the deterrent effect it provides by its very existence, as well as the strides made in the voluntary compliance stage of the enforcement procedure.

While I believe that the rights of the handicapped can be effectively provided for through a mechanism modeled on title VI, I would strongly urge you not to exclude employment practices from the coverage of section 504.

Eradication of barriers of discrimination against the handicapped in employment is essential to the handicapped assuming their proper place in society. Further, inclusion of employment within the ambit of section 504 is all the more crucial, since the handicapped are presently not afforded protection under Federal law against private discrimination in this area.

One additional point with regard to the enforcement mechanism of section 504, I be-

lieve that there should be included a provision for the right of an individual to bring a private action for a section 504 violation.

Such a right has been read into title VI by the court undoubtedly as a result of its recognition that even with a statutory enforcement mechanism, to rely entirely on the executive branch for the protection of one's civil rights in these days of bureaucratic quagmires can also render one's rights illusory at best.

One additional suggestion, I would like to make regarding section 504 is that it be amended to specifically provide that Federal financial assistance for the purposes of this section includes Federal revenue sharing funds.

The Revenue Sharing Act prohibits discrimination on the basis of race, religion, color, and national origin by recipients of federal financial assistance, and the regulations set up a mechanism of enforcement of these prohibitions.

Basically the coverage of the anti-discrimination prohibition of the Revenue Sharing Act tracks the language of title VI. While it is true that section 504 was not enacted until a year after the Revenue Sharing Act was passed, you will undoubtedly agree with me that section 504 on its face should be read to cover revenue sharing funds.

Unfortunately, the director of the office of revenue sharing refused in hearings before the Subcommittee on Civil and Constitutional Rights to recognize section 504's applicability to revenue sharing funds. As a result, the report of the House Judiciary Subcommittee on Civil and Constitutional Rights to the House Government Operations Committee on the Civil Rights Aspects of Revenue Sharing, recommends that the act be amended to bring the anti-discrimination provisions into line with the mandate of section 504.

Hopefully the House Government Operations Committee will act positively to ensure the rights of the handicapped in this area. However, given the wide-ranging uses of these revenue sharing funds, such as for capital improvements, police and fire protection etc., and the resultant increased rights of the handicapped if these rights are recognized as within the ambit of section 504, it seems as desirable to amend section 504, to specifically provide that revenue sharing funds are to be included in its coverage.

A further personal experience of mine underscored the failure of the executive agencies to take the civil rights laws of the handicapped seriously, and pointed out what I regard as another section of the Rehabilitation Act which would benefit from strengthening—section 501.

Last September when I conducted a meeting in my office between representatives of the National Federation of the Blind and the State Department concerning the State Department's exclusion of the handicapped from employment in the foreign service. The State Department has refused to hire the blind as regular foreign service officers.

What recourse does a blind person who wants to work in foreign service have? Under present law the only protection afforded the handicapped vis a vis the federal government is section 501 of the Rehabilitation Act. However, the coverage of 501, as well as the lack of a true enforcement mechanism renders it a statute of limited application, as well as one of limited effectiveness.

Section 501 establishes an interagency committee on handicapped employees to further the goals of the handicapped within the federal government. Further, it requires submission of yearly affirmative action plans by each executive agency for the hiring, placement, and advancement of handicapped individuals in such department, agency or instrumentality.

However, there exists no strong enforcement provisions in section 501, which may be brought to bear upon an agency failing to submit or follow their plan. Furthermore, the interagency committee itself is now operating within the Civil Service Commission without a separate budget of its own.

Thus, 501, is a paper pushing operation with the agencies free under the present statute to simply ignore the commission. With the State Department, for example, the only means of proceeding for the commission is to suggest certain affirmative action steps—it cannot require anything. Further there is no provision for an aggrieved employee or applicant to bring a complaint as exists under section 717 of title VII.

In order to make section 501 an effective guarantee of civil rights of the handicapped in federal employment, I urge the committee to amend this section to give it the "teeth" I have mentioned it now lacks.

At the present time, the White House appears to be moving ahead positively in its planning for the White House Conference on the Handicapped, to be held this December. This gathering, which is being held to further this Nation's endeavors to better help its handicapped citizens help themselves, is mandated by P.L. 93-516.

Regrettably, the executive branch has failed to provide an equal commitment of effort to enforcement of section 504, section 503, and section 501 of the Rehabilitation Act of 1973. And to accord the handicapped a right, but to fail to provide an effective means of enforcement of this right, is to fail to give any right at all.

What this administration, and many people in this country, fail to realize, is that the way the disabled will assume a meaningful, productive role in our society will only be through the removal of the barrier which "shut them out" from the rest of the world.

You know and I know, Mr. Chairman, that the handicapped people of this Nation are capable of working in all sectors of the labor market, and that they are as capable as many without handicaps to excel in many occupations. Certainly the handicapped people in this room today, and throughout the United States, know this is the case.

It is not the physical or mental handicaps of these people which holds them back from such wholly productive lives today. Rather it is the discriminatory barriers thrown in their way by the misinformed prejudices of so-called "normal" citizens; by the legal prohibitions incorporated in unfair housing or zoning ordinances; by the physical obstacles erected by insensitive architects, builders, and transportation planners; and by the lack of commitment on the part of the Federal, State and local governments to protect their rights.

In this, our Bicentennial Year, Mr. Chairman, I think it is appropriate and important that this Congress re-affirm this Nation's commitment to protect and guarantee these rights.

I think Congress should do so by ensuring that the laws for the handicapped which already exist are vigorously enforced, and by strengthening and expanding these laws further to provide even greater protections for the rights of the handicapped.

Not only should the Federal Government strive mightily to "put its own house in order" to afford the handicapped the rights which they deserve and other Americans already enjoy fully. The Government should expand its efforts into the private sector to remove this discrimination as it exists in non-Federal settings.

I respectfully suggest that the amendments which I have talked about today will go an important first step forward toward this reaffirmation of our Government's commitment to equal rights for its handicapped citizens. I urge their inclusion in whatever legislation your committee formulates, Mr. Chairman, and I thank you in advance for your consideration of them.

WHO'S BRIBING WHO?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. McDONALD of Georgia. Mr. Speaker, the reaction to alleged payoffs by Lockheed to officials and politicians in various foreign countries demands that certain questions be raised. The first is: Who is bribing whom?

This question was, in effect, answered by Patrick Buchanan in a column appearing in the Chicago Tribune on February 17, 1976, when he said:

> Another question arises with respect to the Washington double standard: Why is an action either ignored or hailed as enlightened policy when done by the Government, but denounced as unethical when done by an American company?

Consider the reaction to the alleged Lockheed payoffs, as described by Mr. Buchanan:

> There are arguments on Lockheed's behalf. Quite obviously, aerospace executives did not travel to the capitals of the non-Communist world asking local politicians and officials to partake of Lockheed's cash. These gentlemen were, literally, shaden down. They were told greasing the palms of local bigwigs was a necessary condition of doing business. No tickee, no laundry. By complying, Lockheed got the orders, saved the company and kept thousands of their people off unemployment and relief rolls.
>
> This is not a brief for bribery; it is an argument for understanding. American businessmen traveling abroad are either selling the products of American workers, or buying resources to run the U.S. economy. They do not draw up the rules locally; they play by them or not at all.
>
> Official Washington is, as usual, officially horrified. Dr. Arthur Burns of the Federal Reserve believes bribery of foreign officials on foreign soil should be made a federal crime. The President is calling for a blue-ribbon panel to investigate.
>
> Ron Nessen is especially incensed. Lockheed, he suggests, may be denied the right to bid on future government contracts.
>
> Here, surely, is a clever idea. The Congress has guaranteed $250 million in loans to Lockheed. Now, Nessen suggests the aerospace giant be frozen out of the government market, which would mean rapid bankruptcy, forfeiture of the loans, liquidation of assets, huge losses to United States stockholders and wholesale aerospace unemployment.

Notice the cavalier manner with which a great American company and its employees is treated by official Washington in its mad dash to denounce unethical practices. But, as I have pointed out before, if payoffs to foreign officials to gain favor are unethical, then why the strange silence regarding the more than $300 billion in foreign aid given to foreign officials by our Government since 1946? If foreign aid is not a payment to gain favor with forern governments, what is it?

Not only is this outrageous double standard applied in the case of foreign

aid, but also when any alleged unethical activity arises with respect to Congress. As Mr. Buchanan further discribes:

We have no obligation in the U.S. to clean up politics in Tokyo or The Netherlands. We do, however, have a duty to root out corruption in the U.S. In that light, one must be less impressed with Frank Church's enthusiasm for exposing Lockheed payments abroad than with Congress' lassitude in investigating illegal corporate contributions and payoffs on Capitol Hill.

When is the Senate Ethics Committee going to begin looking actively into cash payments by Gulf Oil to the Senate minority leader, members of the Watergate Committee and two Democratic candidates for President of the United States?

If official Washington expects to have any credibility with respect to unethical practices, it had better put its own house in order before denouncing American companies which have done nothing illegal.

SENATE—*Tuesday, March 2, 1976*

The Senate met at 12 meridian and was called to order by Hon. JAMES B. ALLEN, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal God, who changest not, we submit our changing scene to Thy higher rulership. In days of uncertainty, keep us ever sure of Thee. In days which are dark, be our Light and our Guide. In days of waiting keep us strong in spirit. In days when we must act, help us to act in accordance with Thy law. Here may we love the Lord our God with our whole mind and soul and strength, and seek ever to know and do Thy will.

In the Redeemer's name, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 2, 1976.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JAMES B. ALLEN, a Senator from the State of Alabama, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. ALLEN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, March 1, 1976, be dispensed with.

The PRESIDING OFFICER (Mr. NELSON). Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time allocated to the distinguished Senator from West Virginia, the assistant majority leader, Mr. ROBERT C. BYRD, be divided between Senators EAGLETON and CLARK and that the order allocating time to Senators EAGLETON and CLARK precede the order for the recognition of Senator GARY HART.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HUGH SCOTT. Mr. President, I yield back my time.

SUPPLEMENTAL LEGISLATIVE APPROPRIATIONS, 1976

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 646, House Joint Resolution 811.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 811) making supplemental appropriations for the legislative branch for the fiscal year ending June 30, 1976, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Appropriations with an amendment, as follows:

On page 2, beginning with line 1, insert the following:

SENATE

ADMINISTRATIVE PROVISION

(a) The Sergeant at Arms and Doorkeeper may fix the compensation of the Procurement Officer, Auditor, and Deputy Sergeant at Arms at not to exceed $39,909 per annum. This subsection does not supersede (1) any provision of an order of the President pro tempore of the Senate authorizing a higher rate of compensation, and (2) any authority of the President pro tempore to adjust the rate of compensation referred to in this subsection under section 4 of the Federal Pay Comparability Act of 1970.

(b) Subsection (a) shall take effect on January 1, 1976, and, notwithstanding any other provision of law, any increase in compensation made under authority of such subsection may take effect on that date or any date thereafter as prescribed by the Sergeant at Arms and Doorkeeper at the time of making such increase.

(c) Effective on the date of the enactment of this resolution the title of the Procurement Officer, Auditor, and Deputy Sergeant at Arms is changed to Deputy Sergeant at Arms and Doorkeeper.

Mr. HOLLINGS. Mr. President, House Joint Resolution 811 makes supplemental appropriations for the legislative branch amounting to $33 million in order to complete the construction of the Library of Congress James Madison Memorial Building. The committee recommends approval of the full $33 million and has also inserted an administrative provision that would retitle the position of the Deputy Sergeant at Arms and increase the maximum salary of the position from $35,298 to $39,909.

With regard to the committee's amendment, the position of Deputy Sergeant at Arms has not been adjusted, except for the general pay raises for inflation, since 1955. During that time the responsibilities of the Office of the Sergeant at Arms have been greatly expanded, as the Senate has installed a computer system and enlarged the other service responsibilities of that Office. These expansions over the intervening 20-odd years have tripled the number of employees in the Office of the Sergeant at Arms and has increased the funds approved to that Office by more than 10 times and impact heavily on the Deputy Sergeant at Arms, who has the procuring and auditing duties. Let me add that in no way will the duties of the Deputy be modified by the simplification of the position title. In the opinion of the committee, the change in title and in annual salary is both obvious and warranted.

Now with regard to the Library of Congress James Madison Memorial Building. Construction commenced on this building in 1971 under a three-phase program for which $90 million was authorized and appropriated. However, it was subsequently decided to finish the interior of the building as phase IV. Competitive bids were opened on July 23, 1975, for phase IV and it was determined that an additional $33 million would be required to complete the building.

The committee was informed that there is some $44 million of the $90 million already appropriated available for phase IV and the Architect of the Capitol has provided some alternatives for awarding a bid within that amount. However, these are merely schemes that would for example, postpone the finishing of the fourth and fifth floors of the building. So it is the conclusion of the committee that