

Tupper, Joseph L., Jr. xxx-xx-xxxx
Walker, Robert A. xxx-xx-xxxx
Wehant, William D. xxx-xx-xxxx

ARMY MEDICAL SPECIALIST CORPS

To be first lieutenant

Bruns, Robert D. xxx-xx-xxxx
Sinnott, Richard R. xxx-xx-xxxx

ARMY NURSE CORPS

To be first lieutenant

Lawyer, Robert H. xxx-xx-xxxx
Ludlam, Thomas M. xxx-xx-xxxx
Todd, Tony W. xxx-xx-xxxx

ACTION

Charles W. Ervin, of California, to be an Associate Director of Action. (New position.)

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

Harold C. Crotty, of Michigan, to be a member of the National Commission on Libraries and Information Science for the remainder of the term expiring July 19, 1972, vice Charles A. Perlik, Jr., resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 10, 1971:

ACTION

Nicholas W. Crow, of the District of Columbia, to be an Associate Director of Action.

IN THE MARINE CORPS

Lt. Gen. Robert E. Cushman, Jr., U.S. Marine Corps, to be Commandant of the Marine Corps with rank of general for a period of 4 years from the 1st day of January 1972 in accordance with the provisions of title 10, United States Code, section 5201.

Maj. Gen. Louis Metzger, U.S. Marine Corps, having been designated, in accordance with the provisions of title 10, United States Code, section 5232, for commands and other duties determined by the President to be within the contemplation of said section, for appointment to the grade of lieutenant general while so serving.

IN THE AIR FORCE

The nominations beginning Aaron H. Wilson, Jr., to be captain, and ending Blair C. Wrye, to be major, which nominations were received by the Senate and appeared in the Congressional Record on Nov. 12, 1971.

IN THE ARMY

The nominations beginning Kenneth W. Copeland, to be colonel, and ending Michael G. Rogers, to be 2d lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on Nov. 12, 1971;

The nominations beginning Patricia Accountius, to be colonel, and ending Lawrence Zimmerman, to be colonel, which nominations were received by the Senate and appeared in the Congressional Record on Dec. 1, 1971; and

The nominations beginning James L. Anderson, to be professor of physical education, U.S. Military Academy, and ending Kevin M. Scott, to be 2d lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on Dec. 1, 1971.

IN THE MARINE CORPS

The nominations beginning Carolyn J. Auldridge, to be lieutenant colonel, and ending Ralph P. Zullo, to be captain, which nominations were received by the Senate and appeared in the Congressional Record on Nov. 12, 1971; and

The nominations beginning Russell R. Allen, Jr., to be chief warrant officer (W-4), and ending Arthur Yow, Jr., to be chief warrant officer (W-2), which nominations were received by the Senate and appeared in the Congressional Record on Dec. 1, 1971.

SUPREME COURT OF THE UNITED STATES

William H. Rehnquist, of Arizona, to be an Associate Justice of the Supreme Court of the United States.

EXTENSIONS OF REMARKS

JACK EIGEN—AMERICA'S MOST IMITATED INTERVIEWER

HON. ROMAN C. PUCINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 9, 1971

Mr. PUCINSKI. Mr. Speaker, on Saturday, December 11, Jack Eigen concludes more than 24 continuous years in the broadcast industry.

We, in Chicago—and the people who are privileged to hear him in 38 States—know him as America's most imitated interviewer. He pioneered the late night talk show and his exceptional methods have set a very high standard for those broadcast journalists who have followed him in this highly difficult field.

Over the course of the last 24 years, interviewing approximately five guests a night for six nights a week, Jack Eigen has introduced more than 25,000 guests to his television audience. With a breadth of knowledge and a range of interests that have never been surpassed by his imitators, Jack Eigen has helped to shape some of the most informative news stories of our times.

His guests over the years have included people from show business, politics, sports, the arts—the entire spectrum of human endeavor that calls on the best, most unique talents of human beings. Jack's skill as an interviewer has consistently drawn the best from these often complicated men and women, making them and their work fascinating to the listening audience.

His career originated in New York out of the famed Copacabana shortly after World War II. Later he moved to Chicago and has become over the years an institution to all those millions of people who respected and enjoyed the zest and intelligence he brought to his job.

Jack Eigen has lived through and helped to shape some of the major historical facets of our modern American era. It may be a cliché to say that an era is coming to an end when he leaves his position on Saturday night, but there is no question that broadcast journalism and the late night interview show are stamped forever with the force of his personality, the depth of his character, and the scope of his great integrity. Chicago and a major portion of the Nation will sadly bid his talk show farewell this month. For us, as for his colleagues within the radio and television industry, he is both a legend and a model.

But, Mr. Speaker, I have a feeling Jack Eigen will be back. Once before the NBC format was changed in Chicago and Jack was off the air for a spell. But the demand for his fine brand of broadcasting was so great he was recalled.

I can appreciate the management's desire to try something different. This is in keeping with the best tradition at NBC—always striving to bring its listeners a format acceptable to the largest needs of the community but I am certain no format will replace Jack Eigen.

It has been my privilege to appear in Mr. Eigen's program many times and I never cease to be amazed at what a fantastically large audience he has.

As I traveled through Midwest America, people from all walks of life would come up when they heard my name and tell me they heard me on the Jack Eigen Show.

Jack has provided an enormous public service to the thousands of people in the Midwest and WMAQ is to be commended for bringing this type of programing to Midwest America.

Mr. Speaker, Jack Eigen and his lovely wife have become a tradition in Chicago. We shall all miss his kind and inspiring broadcast. But we shall rejoice at the thought that he and his wife are

enjoying themselves in Florida and we wish them many, many more years of happiness.

Chicago shall miss Jack Eigen. The old city just will not be the same. We can only hope his vacation will be short and he will be back at WMAQ as quickly as possible.

WHAT ABOUT THE MONEY?

HON. JAMES W. SYMINGTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 9, 1971

Mr. SYMINGTON. Mr. Speaker, I would like to call the attention of the House to an editorial dealing with the Health Manpower Act and the Nurse Training Act. The article, entitled "What About the Money?" appeared in the St. Louis Post-Dispatch, December 2, 1971.

One of the most serious problems facing this country is the lack of adequately trained and adequately paid health care personnel. The doctor, nurse, and medical technician shortage is critical. As a member of the Public Health Subcommittee of the Interstate and Foreign Commerce Committee, I have visited hospitals and have seen, firsthand, the real need for more doctors, more nurses, and more Federal dollars if we are to solve the health crisis.

If our physicians, dentists, and nurses are to be both accessible and adequately trained, the President must support appropriations that match the congressional authorizations he has acclaimed and approved. At this point, I insert in the Record the Post-Dispatch editorial that calls for this kind of Presidential support:

WHAT ABOUT THE MONEY?

A significant step toward increasing the number of physicians, dentists, nurses and

other health care personnel—the sine qua non of national health insurance—was taken recently when the President signed two measures, the Health Manpower Act and the Nurse Training Act.

The former measure contains a three-year authorization of 2.9 billion dollars and the latter an authorization of \$855,500,000. For the current fiscal year, the Health Manpower Act provides \$225,000,000 in construction grants to medical schools and other training institutions and \$245,000,000 in grants based on per capita enrollment. The new law authorizes subsidies for the interest on loans obtained by medical schools, special grants to schools to train doctors in family medicine, incentives to students to locate their practices in areas of medical manpower shortages, and grants to help schools enroll students from minority and low income groups. The Nurse Training Act also provides for construction grants, per capita student grants and interest subsidies.

In signing the bill, President Nixon embarked on one of his customary excursions into the superlative, calling the measures "the most comprehensive health manpower legislation in the nation's history." Whether this is so is less important than that his remarks indicate a 180-degree turnabout—last year he pocket-vetoed similar but less ambitious health manpower legislation. The test of his extravagantly-worded commitment to increased health manpower will come at budget time. If the President requests appropriations that match the amounts authorized by Congress, there can be no doubting his determination.

A UNIQUE CHRISTMAS MESSAGE

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 9, 1971

Mr. CARTER. Mr. Speaker, it is my belief that the Christmas card is in large measure essentially American in character. Thus, in our Nation, there is at Christmastime the exchange of a great mass of messages, in every category and depiction, between and among our people. These range from the sublime to those of fun-loving sentiment.

For many years, a former Member of this body, a Kentuckian, Maurice H. Thatcher, has composed appropriate verses for the dissemination among friends—chiefly those who send him Christmas greetings. His message for the approaching Yuletide is of very high character in subject matter and expression. It is in the form of a 14-line verse, thoughts and suggestions included and dealing with impressions which the occasion inspires.

Mr. Thatcher reached his 101st milestone on August 5, 1971, and retains his youthful spirit, continuing his many activities of beneficial and gratuitous interests. He is now, in age, the dean of all surviving Members of the Congress.

I do not believe that I ever read anything from the pen of one who is as advanced in age as he is; and I doubt whether I have ever known of any Christmas message of more impressive thought and sentiment, and better expressed, than his current Christmas letter. I would like to share with the membership of the Congress this recent contribution, the product of his facile and gracious pen.

I include as a part of my remarks the indicated message.

The message follows:

SEASON'S GREETINGS, CHRISTMAS 1971

(By Maurice Thatcher)

Year after year this hallowed day returns,
And life is touched with kindness and good will.
Once more the Star of Hope more brightly burns,
And comes again the choice 'twixt good and ill.
Efforts for peace in a world of care and woe,
Are now most timely, and may be fully pressed;
But peace must be with honor's strength and glow,
And by the attribute of wisdom blest.
How long ere Man shall reach his destined goal?
Is not his mission needful and divine?
In earthy orbs, alone, is born the soul?
Can naught but heat the precious gold refine?
From human lives are not the angels made?
Man's road is rough—he must be unafraid!

PLANNING CANCER CENTERS

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 9, 1971

Mr. DULSKI. Mr. Speaker, the House-Senate committee of conference on S. 1828, the bill to strengthen the national effort to control cancer, has reached agreement and the House has approved the report.

I support this bill fully and accept the modifications made first by the House Committee on Interstate and Foreign Commerce and then by the conference.

The jockeying is over. We have a progressive program aimed at launching a national effort to control cancer. With full cooperation from all interests, I see no reason why we should encounter any problems in moving forward aggressively.

Even as the House was preparing to act today, cancer experts from around the country were gathered here in Washington to prepare for the new era in the cancer control drive, in particular to plan for new cancer centers.

The conference was sponsored by the National Cancer Institute and the American Cancer Society, in cooperation with the Association of American Medical Colleges.

Among the presentations was one by Dr. Gerald P. Murphy, director of Roswell Park Memorial Institute in Buffalo, N.Y., the oldest and one of the largest cancer institutes anywhere. It is now a unit of the New York State Department of Health.

Dr. Murphy's remarks capsuled the past, present, and the future, including a series of recommendations and suggestions with regard to the new cancer centers.

Mr. Speaker, I include Dr. Murphy's comprehensive text with my remarks:

SPEECH BY DR. GERALD P. MURPHY AT CONFERENCE ON PLANNING FOR CANCER CENTERS, WASHINGTON, D.C.

Today, we are gathered in an attempt to anticipate the future. Forthcoming federal

legislation and projected presidential affirmation have placed before us the prospect of a long-needed comprehensive war on the cancer problem to the depths and degree that other national concerns and effects have previously attained.

A concise and informative appraisal of our past and present efforts in various areas of the attack on cancer is much in order. Although such appraisals have been performed in the past, better approaches must be established today to make headway on the cancer problem in the future.

In planning the concept of service for a projected cancer center of the future considerable speculation must ensue. To base such projections on solid fact and clinical performance we must review in an adequate manner the past and present efforts of cancer centers in the service area. Such assessments will aid considerably in our attempts to project to the future.

Indeed, service as a definable concept of a functional cancer center requires some clarification. In simplest terms, I must confess I regard service as the necessary support to get the job done, be it clinical or scientific, in an attempt to conquer the cancer problem. Based on such an assessment, let us review the situation.

THE PAST

A comprehensive assault on the cancer problem, be it clinical or scientific, has long been acoming in the United States. The early contributions of our predecessors in this battle can thus be re-examined with particular benefit at this time at the Roswell Park Memorial Institute in its 73 years of existence.

Surprising and important contributions to fight cancer were infused from the fountainhead of the American Medical School, The Johns Hopkins Hospital. Indeed our founder, Dr. Roswell Park, was a cousin of Dr. William H. Welch, the first Dean of the Hopkins, and the man credited by many as having transformed American medical schools from the worst to the best in one generation.

In our 73-year history the importance of the comprehensive cancer center as a service function was best defined, in my opinion, by the letter of Sir William Osler to Dr. Roswell Park on March 18, 1903.

MARCH 18, 1903.

"DEAR PARK:

"The Question of Cancer Research in America:

"Considering the enormous and increasing importance of the subject, it is surprising how little systematic work on cancer has been undertaken in this country. So far as I know, the only laboratory devoted to it is that organized by you and supported by the New York State government. I was most delightfully impressed on my recent visit with the character of the researches going on in the laboratory. Of course, it takes years to clear the ground, but there can be no question that we are on the right track at present. To successfully deal with the question requires a large and expensive equipment and a staff of thoroughly trained men who should devote years to the work. Only by the help of large endowments can the proper organization be maintained, and while the present equipment of Buffalo is first class, much more money is needed, and I am fully convinced that there is no problem in the preventive and rational medicine more deserving of generous endowment by men of means than that which holds our hope of discovering the origin, and, through it, the successful treatment of cancer.

With best wishes for your work, believe me,

Sincerely yours,

SIR WILLIAM OSLER."

The details of the subsequent development of Roswell Park Memorial Institute as a comprehensive cancer center have had great

impact on cancer research in the United States. Indeed, as illustrated by our second of seven directors, the Institute's initial impact was felt in all areas of cancer research, treatment, and education.

Dr. Harvey Gaylord was founder of the American Association for Cancer Research and the International Union Against Cancer. Such illustrious history begets the question—i.e. what was service at the Comprehensive Cancer Center of the past?

For the most part, even in today's appraisal at Roswell Park Memorial Institute the accent was always on the future and on Cancer Research—even by retrospective terms. For example, Dr. Clowes was the first in this country to establish a chemotherapy program for cancer. Moreover, in 1914 one of the major appropriations of over \$225,000 was for radium.

Madame Curie came from the University of Paris to Roswell in 1921 to assist in the clinical treatment of cancer patients with her then famed radium techniques. With equal emphasis, in 1919 Dr. Peyton Rous sent the Institute staff a fowl bearing a virus induced tumor for study.

Research has continued into many service areas at Roswell Park Memorial Institute. Even in its early years, however, despite generous New York State support, the Institute received essential donations equal to 30-40% of its operation budget. Such awards in those times were for cancer research, but by today's standards would be judged as service.

The relativity of such pronouncements should be of particular benefit to us today. In 1961 at the dedication of a seven story research building, our 5th Institute Director, Dr. George Moore, declared:

"The building we are dedicating today we could have used yesterday . . . Human feeling, careful thinking, informed intuition, and dedicated work will make this building a powerful instrument for the alleviation of human misery caused by cancer."

It would seem in the aforementioned terms that the research of yesterday is the treatment and service of today. A retrospective review of a comprehensive cancer research and treatment center, such as the Roswell Park Memorial Institute, enforces such viewpoints.

THE PRESENT

Cancer care, research, and cancer education are the chief functions at the Roswell Park Memorial Institute in Buffalo, a facility of the New York State Department of Health. Patients are admitted for examination or treatment by referral only.

Any physician or dentist may request an appointment for any patient who has proved cancer or after adequate history and physical examination, is believed to have cancer. Occasionally, when a malignant disease is suspected, a patient is accepted for diagnostic procedures not available to the referring physician.

The advents of special developments in medicine are not neglected at Roswell Park, as shown by the establishment of a regional kidney center, a germ-free unit, a chemotherapy center, linear accelerator, and a maxillofacial prostheses center.

Patient care and treatment at present, even at a cancer research and treatment center, remain a vital day-to-day concern. Service for the physician and cancer patient in New York State remains an ongoing problem.

In the Institute's early years, most referrals were made by mail. Today only about 20 per cent are received this way; the telephone has largely replaced slower, time-consuming correspondence.

To encourage and facilitate telephone communication, a wide-area telephone service (WATS) system was established in 1968. It allows the patient's doctor to call the Institute any time, toll-free, to communicate

directly with a staff physician or the Admitting Department.

This relatively inexpensive service has provided a considerable saving in physician's time and in secretarial salaries. It has also helped reduce delay between diagnosis and initiation of treatment.

When a new patient is accepted, a clinic appointment is made. The referring doctor is requested to provide, either before or at the time of the appointment, pertinent medical records along with tissue or cytology slides, x-ray films and any other useful information. Radiation data and operative reports are requested if the patient has had previous treatment.

When hospitalization is required, a bed is reserved. If time permits, the patient is sent a small brochure describing the Institute and is asked to complete a questionnaire before arrival. The completed questionnaire significantly shortens the admission procedure.

The referring physician is asked if the patient has been told of the nature of his disease. If not, the physician is requested to do so before the patient arrives at Roswell Park. If the doctor prefers to use a word less formidable than "cancer" he is asked to let the staff physician know what term has been used. This facilitates communication with the patient and prevents the predictably adverse reactions when facts are withheld until arrival at a cancer hospital.

There is a waiting period for both clinic appointments and hospital beds. Although many patients are chronically ill and most have extensive disease, the average length of hospital stay during the past years was less than 17 days.

A few patients require prolonged continual hospitalization following extensive surgical therapy to allow staged constructive procedures for rehabilitation. This period seldom exceeds one year. The clinical service does not accept new patients for terminal care, but for active therapy.

Through the combined efforts of patients' families, assigned social workers, and the American Cancer Society, patients who need only nursing care are returned to the family setting or to an institution near home to prevent prolonged family hardship and expense.

However, when a patient treated at Roswell Park Memorial Institute needs additional care, readmission is arranged. A partial list of the organizations providing assistance to patients and families is shown in Table 1. To these and to others too numerous to mention, the staff of the Institute is grateful.

Meanwhile the WATS system, conceived to enhance the program of mutual cooperation and assistance to New York State physicians in management of patients with cancer, has greatly improved communications with referring physicians.

During the first year of experience, over 2,200 calls were received: 71.8 per cent patient referral, 24.4 per cent consultation, 3.2 per cent for Roswell Park Memorial Institute information, and 0.6 per cent miscellaneous. These figures have altered since then.

At the time of discharge, each patient is given a clinic appointment for a follow-up visit. The interval between visits depends on the need for care or close observation. Other considerations are travel distance, age, and condition of the patient. Help is requested from the referring physician if frequent revisits are considered too traumatic to the patient or burdensome to the family.

Although "statistically" cured after a period of years, most patients continue to make scheduled periodic visits to the Institute. This loyal and appreciative group of patients provides valuable information for clinical follow-up research.

If regular revisits are not scheduled or if a patient misses two consecutive appointments, follow-up is accomplished through a central agency which follows over 6,000 patients by letter.

Other patients are followed in our Central Institute Tumor Registry, and in association with the Regional Registry of the Western New York Regional Medical Program.

Fewer than one per cent of these are lost to follow-up. On the active files in the specialty clinics are more than 17,000 patients who return for examination at least once a year.

COST ASSESSMENTS

Patient care and cancer research, however, cannot totally be defined at the bedside. To do so would, in my opinion, define cancer at the wrong end of the spectrum. We all seek greater numbers of patient care and cure, but as such and at present, as in the past, these can only be achieved by intensive research at all levels.

Service as defined by the context of the conference today is only the assurance of the provision of such means. Inspection of the clinical versus total research efforts at Roswell Park Memorial Institute in past years affirms this viewpoint. Since that time and to date in 1971 basic research expenditures have increased to 52.5%, whereas clinical research has increased to 14.1% of our current budget to reach a total of 66.6% expenditures of all operating budgets (state, federal, private) for the center.

Thus research, whatever its location, and service, whatever its definition, have remained inseparable at our Institute. One has not been possible without the other. Moreover, one cannot logically exist in a Comprehensive Cancer Institute setting without the other. These percentage distributions are quite similar at other major cancer research and treatment centers including the M.D. Anderson in Houston, Texas.

In the day-to-day present cost-conscious era of medical care, the cost of a comprehensive cancer research and treatment center remains of paramount fiscal concern. To provide service in both of these fields requires careful cost assessment and avoidance of burdensome administrative costs. Our Institute Hospital budgetary costs for administration have remained low despite rising national inflationary costs.

If service in the areas of research and patient care is to be effective, administrative costs must be maintained at a low level.

COORDINATION OF ACTION

The service functions of the cancer patient will understandably differ in the comprehensive cancer hospital as opposed to the general or university hospital setting.

Advances in medicine have long outpaced the ability of the single physician to provide his patients with all forms of definitive cancer care. Today, optimal care of cancer patients requires a team of interdependent medical specialists and allied health personnel. The effectiveness of both service and research is critically dependent upon the strength of interdisciplinary relationships.

Efficient organization does not require the establishment of a department or division of oncology in every institution. The great need is not for an additional autonomous unit, but for a coordinated, integrated approach to cancer care at all levels.

The optimal care of the cancer patient demands the application of our total knowledge to his disease in the right institution, at the right time in the course of his disease, and at a cost he and the community can afford.

Today, this requires the involvement of nearly every medical discipline, the centralization of much expensive equipment, and the skilled technical personnel to maintain and operate it. It implies the proper utilization of our health care facilities: physicians'

office, inpatient and outpatient facilities, extended care institutions, and the patient's own home.

The foremost requirement is the provision of a continuum of care including early diagnosis, definitive treatment, and follow-up of the cancer patient throughout life, preferably in the patient's own community.

Every region of the country now has at least one general hospital which is already providing optimal care for the cancer patient or which with minimal change, can be qualified to provide such care.

Some community hospitals may need to institute educational programs; some may require additional staffing with specialized personnel; some may require additional equipment; still others may prefer affiliation with neighboring institutions to make up their deficiencies. They must all be affiliated in some degree to a Comprehensive Cancer Center.

These present assessments, in my opinion, do not call for the abolition, neglect, or major revision of present existing health facilities. Rather, in accord with established guidelines our present hopes call for the delivery of patient research and treatment into the existing systems.

Service to cancer patients on the other hand, may impose a degree of follow-up care and rehabilitation which hospitals or affiliated institutions do not presently possess. If this is to be so, for service to be meaningful on a national basis chronic care facilities must be planned and provided on an expanded basis.

Service in a Comprehensive Cancer Research Center cannot be totally overstated to the clinical setting. Service under the present contexts, in my opinion, includes the provision of scientific support i.e. be it an electron microscope or tissue culture facilities. Much diverse equipment and supplies are needed.

In a Comprehensive Cancer Center these essential supply items are never covered totally nor adequately by outside grant support. This provision and inclusion in an operational and fiscal sense is as essential as clinical items.

In fact, the service research support of a Comprehensive Cancer Center may well require facility construction and maintenance away from the primary center site as is the case at Roswell Park.

THE FUTURE

Legislative concern for an expansion of the cancer effort has understandably evoked diverse responses in some sectors. Progress, however, towards an effective compromise, in my opinion, has been sought in both Senate and House. By the time of publication of this presentation, I predict an effective law will be signed in effect reflecting credit to the yeoman efforts of all legislators in both the Senate and the House.

Research in cancer is the key, and service under such settings in the future must fit this prospective.

The approaches to research in cancer have been greatly expended in the past several years because of the expanding basic knowledge acquired through multidisciplinary investigation, and increasingly sophisticated research techniques.

Therefore, there is a growing need for institutions which will radiate influence to upgrade and administer the major innovation in the treatment and control of cancer. It is necessary that present first-rate institutions be expanded, that others be upgraded and that new ones be created.

The historical development of cancer research and patient treatment centers have resulted in the growth of well-organized cancer research laboratories and specialized cancer hospitals which exist outside of the traditional university medical school environment.

This development has tended to diminish the extent of cancer research and teaching carried out in the traditional medical school departments and has led to a communication gap between the two foci of activity.

Because of the relative scarcity of specialized cancer treatment centers, many cancer patients being seen for the first time pass through general treatment clinics or through the offices of their private physicians.

The professional persons observing the patient may have had little opportunity to become familiar with modern cancer diagnostic and treatment techniques. With the increased number of long term remissions and the consequent extended useful lives for some cancer patients, it is vitally important that our most advanced diagnostic and therapeutic techniques be extended rapidly to all cancer sufferers.

The complexities of the various neoplastic diseases and the need for an increased understanding of the fundamental processes involved require a coordinated effort on the part of the scientists ranging from those undertaking basic research in cancer biology to research clinicians, and finally to clinicians responsible for the care and treatment of cancer patients.

In order to do this, the medical school, specialized cancer facilities, practicing physicians and community medical services must participate in an integrated program of cancer research and training.

To provide service for the cancer center of the future this requires additional projection and estimation.

GENERAL RECOMMENDATION

The staff of the Roswell Park Memorial Institute has reviewed the current situation and made general recommendations. Some of these can be summarized as follows:

1. In respect to patient service, more emphasis is needed in the planning of additional or expanded ambulatory centers to decrease the use of beds for patients that can be self sufficient (under chemotherapy or radiation therapy).

2. We need to improve the quality of life for children with neoplastic disease in remission that receive either ambulatory care or could remain in the hospital for a short stay without separation from parents.

3. We need a better flow of communication between the community physician and the cancer program, particularly in regard with continuity of treatment. Practicing physicians should be free to come into the center or we should provide better information as to what has been done or what can be done for the patient.

4. In relation with cancer centers, research and service and cancer education should always go together. Every center should provide the whole spectrum of activities available to mount an effective program against cancer. When planning new cancer centers, special facilities should also be considered, like expanded care units for patients receiving chemotherapy or radiation therapy very often occupying surgical beds.

The danger of super-specialization should be borne in mind when considering the possibility of distribution of different types of neoplastic disease in different centers. Research and services for all types of cancerous disease in the same center affords a unique opportunity for cross fertilization and interchange of ideas. In order to have a high input of cases, it is necessary to have a high quality and up to date clinical service.

These diverse suggestions can best be projected for the future benefit of the service function of a cancer center as follows:

SUGGESTIONS FOR A CANCER CENTER

1. To train physicians in disciplines of cancer care.
2. To develop special clinical services for referral of types of malignancy e.g. leukemia

and solid tumors requiring care not always available in the usual medical center.

3. To sponsor graduate courses for physicians and other health personnel in clinical aspects of cancer.

4. To establish panels of 2-5 physicians to visit larger regional hospitals within a 200 mile radius once monthly for consultation to tumor boards and help with decisions in problem patients.

5. To establish regional reference laboratory services for cancer pathology, cytology and radiological interpretation as well as in the rapidly developing field of "specific" cancer antigens.

6. Establish rehabilitation centers for patients after radical resection therapy, including physiotherapy, plastic surgery, prostheses speech therapy and ileocolostomy instructional services.

It is obvious from this presentation that a discussion of the projected comprehensive cancer center in terms of service cannot be complete without relating the important co-determinants of education, research, and administration.

SUMMARY AND CONCLUSION

Service as a function of a Comprehensive Cancer Center cannot be defined in the total terms of present or past performance of the few existing major cancer centers. Their changing structure should give ample projection to the future of present and proposed cancer centers. The research of the past in many instances is the service of the present. So it will be in the future. To assure appropriate and rapid progress, all aspects, especially science and research, must be combined.

COOPERATING AGENCIES

For the record, following is a list of agencies assisting Roswell Park Memorial Institute in service to patients and families:

County Units of American Cancer Societies, County Departments of Social Welfare, Public Health Departments, Visiting Nurses, Home Health Aides, Homemaker Agencies, Salvation Army, Maria Love Convalescent Fund, Red Cross, Cancer Care, Shut-in Society, Local Volunteer Ambulance Services, Local Religious Institutions and Agencies, Local Mothers' Clubs, Veterans' Service Organizations, Traveler's Aid, and Air and Bus Lines Passenger Services.

SAVE OUR STREAMS

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 9, 1971

Mr. GUDE. Mr. Speaker, in the December 1971, edition of *Outdoor America*, a publication of the Izaak Walton League of America, appears an article on a noteworthy project initiated by the Montgomery County, Md., chapters of the league. The program is entitled "SOS—Save Our Streams—Adopt One."

Tired of deterioration of several local streams, these public spirited citizens have taken on themselves the task of cleaning and preserving them. I believe that the Montgomery County chapters are to be heartily congratulated. It is only through this type of dedication to our environment that this Nation will be able to permanently come to grips with its environmental problems.

I submit for my colleagues consideration the story of "SOS":

WATERSHED PROGRAM

Montgomery County, Md., chapters of the Izaak Walton League have started a unique program known as "SOS," Save Our Streams—Adopt One.

The program, according to Rockville, Md., chapter member Malcolm King, is a cooperative watershed management program. Its purpose is to protect and restore waterways throughout Montgomery County through approved watershed management practices. This includes providing streambank cover to prevent soil erosion and the removal of trash and other alien obstacles from the river beds.

The program is being carried out in conjunction with the area's farmers, other conservation clubs, scouts and 4-H groups.

TARIFF COMMISSION RECOMMENDATIONS ON DAIRY IMPORTS REQUIRE PROMPT PRESIDENTIAL ACTION

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 9, 1971

Mr. KASTENMEIER. Mr. Speaker, on March 12 the President asked the U.S. Tariff Commission to hold hearings to determine if Swiss or emmenthaler cheese, gruyere-process cheese, and certain other cheese, all having a purchase price of 47 cents per pound or more, are being imported into the United States under such conditions and in such quantities as to render or tend to render ineffective the price-support programs of the U.S. Department of Agriculture for milk.

On July 28, the Tariff Commission made known to the President the findings and recommendations of their investigations. The Commissioners recommended that the 47-cent price-break feature be abolished and that a quota be established for the various types of cheese involved, regardless of price.

Both the President and the U.S. Tariff Commission should be commended for actions taken thus far with regard to this continuing dairy import problem—the President for ordering the hearings held; and the Commission for its thorough review which led to the recommendations.

Now, however, it is imperative that the President act on the Commission recommendations so that such cheese imports can be held at reasonable levels in the year ahead, and discouraged from further increases. From January 1, 1971, to September 30, 1971, Swiss emmenthaler has entered the United States at a level equal to 113 percent of the level for the same period in 1970, gruyere-process at a level of 110 percent, and other cheese at 115 percent.

When the Tariff Commission held hearings on these dairy imports earlier this year, I said that both the producer and the U.S. taxpayer had a right to expect corrective action. For years, dairy farmers have been advised that if they would seek a better balance between supply and demand, the result would be improved prices. From 1964 to 1970, dairymen reduced the number of milking cows

on U.S. farms by nearly 3.2 million head—a decrease of about 22 percent. During the same period, total milk production dropped 9.5 billion pounds—a decrease of about 7.5 percent. It should be noted that milk production is up this year, but even with this increase, total production in 1971 will likely be down about 6.5 percent from the 1964 level. While dairymen have reduced milk production during the 1964-70 period as economists recommended, total dairy imports more than doubled, going from 830 million pounds of milk equivalent to 1,866 million pounds. Certainly our dairymen have a right to expect that the 47-cent price-break loophole be closed.

Taxpayers also have a right to expect this action, for they are the losers if subsidized imports continue to make inroads into the U.S. dairy market. It is their tax dollars that are used to buy as surplus every pound of U.S. dairy production that is displaced by imports.

With the new year rapidly approaching, I respectfully urge, along with many of my colleagues, that the President promptly issue the official order which would bring such imports under control, and that the official order follow the recommendations of the U.S. Tariff Commission.

PRESIDENT CHIANG'S MESSAGE TO THE CHINESE PEOPLE

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 9, 1971

Mr. RARICK. Mr. Speaker, President Chiang Kai-shek recently addressed the Chinese people on the Republic of China's withdrawal from the United Nations Organization.

Because I feel his speech is of historical significance in the worldwide struggle we face, I insert the full text of his speech at this point:

[From Issues and Studies, December 1971]
PRESIDENT CHIANG'S MESSAGE ON THE REPUBLIC OF CHINA'S WITHDRAWAL FROM THE U.N., OCTOBER 26, 1971

My Fellow Countrymen at home and abroad:

The twenty-sixth session of the United Nations General Assembly has elected to violate the provisions of the Charter of the United Nations and adopted a resolution proposed by Albania and other nations which are currying favor with the Chinese Communists. As a result, the Mao Tse-tung bandit regime has usurped the Republic of China's rightful position in the United Nations and the Security Council. Before this infamous resolution could be put to a vote, this country announced its withdrawal from the United Nations, an organization which it took part in establishing. We declared that neither the Government of the Republic of China nor the Chinese people will ever recognize the validity of an illegal resolution adopted by the current United Nations session in flagrant violation of the provisions of its own Charter.

The Mao Tse-tung bandit regime is a group rebelling against the Republic of China. Internally, it has committed enormous crimes against the people of China. It is the common enemy of all the Chinese people and especially of our seven hundred million compatriots on the mainland. Externally, the

Mao regime stops at nothing in promoting subversion and committing aggression and still stands officially condemned by the United Nations as an aggressor. The Chinese Communists may occupy the mainland for the present. But the Government of the Republic of China, with its base in Taiwan, Penghu, Kinmen and Matsu, is the true representative of the seven hundred million Chinese on the mainland, expressing their common will, heeding their anguished outcries and inculcating within them a maximum of courage and hope with which to struggle against the violence of the Mao regime and win back their human rights and freedom. It is clear, therefore, that the Chinese Communists should never be permitted illegally to occupy the General Assembly and Security Council seats held by the Republic of China, whether this be judged by the principles of the United Nations Charter or on a basis of humanitarianism, the law of nature or, in particular, the common will of all the Chinese people.

In 1944, China took part in the Dumbarton Oaks Conference and subsequently signed the United Nations Declaration. This country then took part in the organizational conference of the United Nations in San Francisco and helped write the Charter. These efforts were dedicated to saving "succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind." To achieve this goal, the purposes and principles of the United Nations were set forth for the faithful adherence of all the participants. But the current session of the United Nations General Assembly has decided to destroy these very purposes and principles of the Charter, thereby ignoring and completely disregarding law and justice, shamelessly bowing to the forces of evil and timorously yielding to violence. Thus the United Nations, which this country helped to establish after so many trials, has finally degraded itself and become a den of iniquity. History will surely show that our announcement of withdrawal from the United Nations actually presaged the demise of the United Nations itself.

The Chinese cultural tradition is to uphold justice and love peace. Although we have withdrawn from the United Nations, which we helped establish, we shall continue to be guided by the purposes and principles of the United Nations Charter in the international community and shall continue to fight courageously for international truth and justice and for world peace and security.

I hereby solemnly declare:

That the restoration of human rights and freedom to our 700 million compatriots on the mainland is the common will of the whole Chinese race and is our unalterable national purpose and the holy task which we must accomplish.

That the Republic of China, an independent sovereign state, will tolerate no external interference.

That regardless of the changing international situation, we shall unhesitatingly make whatever sacrifices may be required and persevere in our struggle. We shall never waver. We shall never compromise.

For the people of the world, I have this warning: In the brief span of half a century, our world has been visited by two horrendous World Wars. After the First War a ravaged world sought to prevent repetition with the organization of the League of Nations, in which were vested man's hopes for world justice and peace. Unfortunately, some nations bowed before the threats of aggressors. These nations mistakenly thought that submission to evil and knuckling under in the face of violence could be traded for a peace of humiliation. As a result, the League of Nations was paralyzed and then collapsed. It could no longer serve the functions of curbing aggression and upholding justice. The Second World War followed not long afterward. Today, some democratic countries have chosen

to enter the camp of those supporting the Chinese Communists and have helped the Mao Tse-tung regime illegally to occupy our rightful place in the United Nations General Assembly and Security Council. Their thinking and their actions are almost identical with the thought and deeds of some countries on the eve of the Second World War. The consequences promise to be extremely grave. The facts of history tell us that our moral courage in the safeguarding of justice constitutes the solid cornerstone of security and peace. Machiavellian machinations of power politics on the other hand, lead inevitably to war.

My Fellow Countrymen: The destiny of our nation is not in the hands of the United Nations. It is squarely in our own hands. As Dr. Sun Yat-sen, our National Father, puts it, "The fundamentals of existence invariably are found in the proud and independent spirit of a nation and its people. This means that if a nation is not tempted by bribes and does not surrender to physical force, it will earn its place in the world."

Today, here on this revolutionary base, we command a sizable population and considerable resources, as expressed in our military strength and economic prowess. These are supported by our spiritual force. We also command the hearts of our 700 million compatriots on the mainland as well as the patriotism of our 18 million anti-Communist compatriots living overseas. The Republic of China is not a weakling of Asia or the world which can arbitrarily be sold out by anyone. We will continue to wield a strong influence in the changing balance of international power and in the determination of human destiny. Everyone should be aware not only that the actions of others may affect us, but also should understand that our actions may bring about far-reaching world change.

The international situation now confronting us is marked by danger and pitfalls. Nevertheless, as long as we ourselves are strong, no force in all the world can shake us. As long as we ourselves are courageous and of undaunted spirit, no force in all the world can humiliate us. As long as we ourselves persevere in the struggle, the final success will be ours. As all of you know so well, the fruits of revolutionary victory are always born of great adversity.

All of us must recognize that the changes in today's world revolve around the China problem and that the manner in which the China problem is to be solved will decide the fate of the human race. We therefore find ourselves occupying the most significant key position in this situation of great change. Our success or failure, advance or setback, in the current struggle will decide whether the world is to have security or danger and whether mankind is to know happiness or misfortune. We should not sit calmly and wait for changes in the world situation. We must take the initiative in order to control the changing situation, fight positively and keep ourselves always one step ahead of the enemy.

In the last 20 years not a day has passed without further struggle for power among the Chinese Communists. The tempo of struggle has recently increased. This suffices to prove that Mao Tse-tung thought and the Communist system are completely bankrupt. The people of the mainland, including the majority of Communist cadres, at first despair but now have started to resist. The Chinese Communists have been aware of the erupting anti-Communist volcano under their feet and of their inability to control it.

They have been compelled to change their external strategy. They are seeking a respite through trickery and deceit. But the Chinese Communists can never change their announced goals of "anti-Soviet revisionism," "anti-American imperialism" and "anti all reactionaries." Actually, this change in external strategy has brought their lines of

thought and policy to an impasse and has given rise to ever more serious confusion, chaos and worsening power struggle. Opportunity has thus been provided for the forces of anti-Communism and the anti-oppression struggle to accelerate and expand their mainland activities. Faced with this situation, we should further reinforce our faith, consolidate our strength and intensify our military preparedness so that we shall lose no time in grasping the moment of opportunity. We must accelerate the mainland prairie fires of anti-Mao and anti-Communist revolutionary struggle.

Fellow countrymen: The course of our anti-Communist struggle is like that of a boat sailing rough seas in unpredictable weather. However, when all of us have a common understanding of our basic situation of anti-Communism and are no longer confused by momentary change; when all of us are moving in the right direction—sincerely, with unity, with a single purpose and sharing fortune and misfortune; when all of us decline to relax or become complacent or let down our guard on fair weather, and are not fearful or disappointed and do not cheat ourselves when the storm comes; when all of us augment our strength and spirit as the going worsens; then shall we cross over to the other shore, liberate our compatriots and recover our lost mainland."

WASHINGTON POST ENDORSES EQUAL RIGHTS AMENDMENT

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 9, 1971

Mr. McCLORY. Mr. Speaker, the recent Supreme Court decision in the case of Reed against Reed did what no Supreme Court decision has ever done before in our Nation's history. It struck down a State statutory provision which invidiously discriminated against women in the area of appointment as administrators of decedents' estates.

While the decision rendered by Chief Justice Burger rang clear in denouncing such forms of discrimination, it did not reach the total issue of full equality for women in all aspects of American life.

Mr. Speaker, when the equal rights amendment was debated on the floor of the House on October 6, I alluded to the possibility that the Supreme Court might extend the equal protection clause of the 14th amendment to women thus making the addition of an equal rights amendment to the U.S. Constitution less urgent. My position all along has been that the Supreme Court necessarily confines itself to the narrow issues involved in the cases and controversies which it must decide and that it was quite unrealistic to expect the Court to make a sweeping declaration which would accomplish the same objective as that sought by the equality of rights amendment which we passed in the House.

The decision in Reed against Reed bears out my earlier impression, and I am all the more convinced that the course of action which we took in October was consistent with our constitutional responsibility of providing full equality under the law for all American citizens—male or female. Therefore, I sincerely hope that the other body will

act promptly and in a like manner in order that this country may remain true to itself by insuring that women will no longer have their legal rights subordinated by virtue of an artificial and outmoded conception of their status in society.

Mr. Speaker, I was extremely pleased to read the November 29 editorial in the Washington Post, entitled "Sex and the Single Administratrix," and I am therefore inserting it in the CONGRESSIONAL RECORD at this point:

SEX AND THE SINGLE ADMINISTRATRIX

The Supreme Court spoke with one voice on Monday in finding constitutionally invalid an Idaho law that gave preference to men over women for appointment as administrator of a decedent's estate. The one voice was the Chief Justice's and what it said was expressed with admirable precision, clarity and restraint. The nub of the decision is that while "the Fourteenth Amendment does not deny to states the power to treat different classes of persons in different ways," it does "deny to states the power to legislate that different treatment be accorded to persons placed by a statute into different classes on the basis of criteria wholly unrelated to the objective of that statute. A classification 'must be reasonable, not arbitrary, and must rest upon some ground of difference having a fair and substantial relation to the object of the legislation, so that all persons similarly circumstanced shall be treated alike.'"

A statute favoring men over women in the administration of estates rests pretty plainly on nothing more substantial than an antique prejudice that women are intellectually inferior to men. That prejudice is a relic of the period when men were able to look upon women as one of their more valuable indoor possessions. But it became untenable about the time that women demanded, and demonstrated an abundant capacity for, economic independence.

Chief Justice Burger's opinion dealt, quite properly, only with the case before the court and dealt with it on the narrowest possible grounds. It does not in any way diminish the need for the constitutional amendment passed by the House of Representatives assuring full equality to women in all aspects of American life. That equality can best be established through the amendment procedure, rather than through a series of Supreme Court decisions striking down outmoded and irrational inequalities.

Senator Sam Ervin, a gentleman of a very old school, managed to win approval by the Senate Constitutional Amendments Subcommittee for a formulation of his own effectively scuttling the amendment approved by the House. Mr. Ervin's proposal would forbid "any legal distinction between the rights and responsibilities of male and female persons unless such distinction is based on physiological or functional differences" between the sexes. This is so naked a piece of nullification that it ought not to bemuse anybody old enough to be a senator. It amounts to saying that women should be treated as the equals of men except when it suits whim or pleasure of some legislature to treat them as subordinates. One ought not to play games with the Constitution, or with the women of America, in that fashion.

Women are undoubtedly different from men. But that difference does not afford any rational basis for denying women the equal protection of the laws. Men may look upon women as they choose, individually—as sex objects, as interior decorations, as wives, mothers, co-workers, fellow-citizens. But in the United States, if the country is to remain true to itself, women must be accorded the same opportunity as men to pursue their own interests and to realize their own potentialities.

ERA AT UNITED AIRCRAFT IS COMING TO A CLOSE

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 9, 1971

Mr. GIAIMO. Mr. Speaker, United Aircraft is a giant on the world aerospace scene, and its leadership is recognized for innovation and performance. Last year, this industrial giant had sales over \$2.3 billion. Despite dramatic and tragic setbacks in employment, United remains Connecticut's largest employer.

The health of United Aircraft is critical for the fiscal and employment picture in Connecticut, and changes in United's leadership are, therefore, of interest to business and labor leaders within and outside of Connecticut.

Mr. William P. Gwinn, chairman of United Aircraft, announced recently that he would retire next fall. Simultaneously, it was announced that Harry J. Gray, senior executive vice president at Litton Industries, Los Angeles, would become president and chief administrative officer at United and that Arthur E. Smith, now United's president, would become chairman of the executive committee.

Mr. Speaker, Bill Gwinn has been the kind of leader in aviation that has made this Nation preeminent in aircraft production in the world. In 1927, he started a career with United as a stock clerk. As the Hartford Courant said in a recent editorial—

With the scheduled retirement next fall of Mr. Gwinn, a remarkable era is coming to a close.

As the Courant also pointed out, however—

If an era is passing, there is no reason to be overly apprehensive of the future.

After 17 years of being involved in the phenomenal growth of Litton Industries from a one-product electronics firm to the prototype conglomerate, Harry Gray comes well equipped to handle the administrative responsibilities of this aviation giant. As a recent Courant profile shows, Harry Gray has also made his industrial mark, and he has done so through individual hard work and determination.

Connecticut is looking for stability in aerospace industries, Mr. Speaker, and along with other key areas—Seattle, southern California, and some others—has borne the brunt of this Nation's diminishing initiatives in flight and space technology. This year alone United has had to lay off more than 10,000 workers.

Connecticut has confidence in the managers and leaders of its aerospace industries, however. Bill Gwinn has been an outstanding leader, and when he retires next fall Harry Gray and Arthur Smith will move to take up the reins of United's empire. I hope that they find this Government more willing to invest in the future of aerospace ventures and in the well-being of the millions of people directly or indirectly dependent on a healthy aerospace industry.

I include an editorial and an article from the Courant in the RECORD at this point:

[From the Hartford (Conn.) Courant, Oct. 1, 1971]

ERA AT UNITED AIRCRAFT IS COMING TO A CLOSE

When the late Frederick B. Rentschler founded Pratt & Whitney Aircraft 46 years ago, he swiftly had at his side two young men who later were to lead what is now one of the giants of American industry. Of course they weren't much noticed at first. For H. Mansfield Horner, who retired three years ago as chairman of United Aircraft, joined the firm in 1926 as a stock chaser and messenger. And, in 1927, along came the man who was to be Mr. Horner's successor, William P. Gwinn. He, too, started as a stock clerk.

The origins of the East Hartford company are being recalled because of the changes in command that have just been announced there. And with the scheduled retirement next fall of Mr. Gwinn, a remarkable era is coming to a close. For almost from the start, Jack Horner and Bill Gwinn were at the side of Frederick R. Rentschler when his first famous Wasp engine launched an aerospace empire whose sales topped a whopping \$2.3 billion last year.

If an era is passing, there is no reason to be overly apprehensive of the future. To be sure, United's employment has dipped to 59,000 recently after reaching a peak in excess of 70,000 persons. And some further attrition can be expected in the months ahead, the company has announced, because of the dwindling aerospace market this year. Beyond that, however, the prospects are improving. According to Mr. Gwinn, the employment level should be relatively stable in 1972 and 1973. And he noted the other day that the aerospace industry has "just about hit bottom" and there are "good signs of a turnaround now."

The task of building a new future has been assigned to Harry J. Gray, 51, who was senior executive vice president at Litton Industries in Los Angeles until being named United's president and chief administrative officer. In explaining the appointment, Mr. Gwinn commented: "We thought it very important to bring someone in to carry on for a long period, rather than have short-term successions in management." He also cited the benefits of an executive "blood transfusion" at a time when the company is broadening its market outlook.

There will still be plenty of seasoned local leadership in East Hartford to help guide the company, notably Arthur E. Smith who has advanced from president to chairman of the executive committee. Thus, as a new era begins, we wish both Mr. Gray and United Aircraft the very best of luck in the years ahead.

[From the Hartford (Conn.) Courant, Nov. 14, 1971]

NEW UAC PRESIDENT: "TRUE GRIT"

(By Robert F. Murphy)

On Dec. 27, 1963, Harry Jack Gray was wheeling a motorcycle along a California mountain road when the power wheel of the big bike hit a patch of ice.

Gray nearly died in the next 10 minutes. When the motorcycle hit the ice it went into a skid that left it and its rider pinned under a roadside guardrail.

Gray's position was uncomfortable, to say the least, but what made it treacherous was that the motorcycle's engine kept running, causing the bike to see-saw—pressing Gray's leg against the guardrail.

He was eventually able to muster enough strength to turn off the ignition before his leg was severed. But in reaching for the key, he added to his troubles by twisting his body so that he fractured his hip.

Gray was telling about the accident the other day in his office at United Aircraft Corp., East Hartford, where he is the new president and chief administrative officer.

As if to prove he is whole again, Gray propped the damaged leg up on his desk top. The only after-effect of the injury is that he has to wear a calf-high elastic stocking.

TROUBLE SHOOTER

Gray has a reputation for getting into and out of tough spots. In World War II he fought from the Normandy beachhead to Czechoslovakia with the Army's 5th Division.

He earned a Silver Star and a Bronze Star with a V for gallantry in combat.

But some people think Gray took on his toughest assignment last Sept. 27 when he took a job at United Aircraft.

The aerospace industry is grounded and so is United Aircraft.

Gray, 51, has no such qualms. He took the job because it was what he calls "a career opportunity."

Gray does not conceal that he was frustrated in his ambition to be president of Litton Industries.

He was almost a charter member of the corporation Charles "Tex" Thornton and Roy L. Ash put together in June 1954, in California. Gray arrived on the scene in November.

Litton was a one-product electronics firm then and there were problems with what Gray says were "some ideas of about 60-over-enthusiastic engineers."

Gray, who is not an engineer, made an evaluation, came up with an acceptable solution and began his climb up the corporate ladder of Litton Industries.

Seventeen years later, and two rungs from the top, he packed it in and accepted the United Aircraft offer.

"There were reports that Mr. Thornton was going to retire," Gray says.

Thornton is 58 and if he retired, Roy A. Ash, who is 51, would have advanced to the chairmanship, leaving the presidency open for Gray, who was senior executive vice president.

Gray says that when the United Aircraft offer was made, he went to Thornton and asked him if he was retiring.

Thornton's answer was, "No."

The United Aircraft offer then became a career opportunity I had to accept," is the way Gray puts it.

NOT SAYING

Harry Gray won't say what he is going to do at UAC and there are two reasons for his reticence.

The obvious one is that he is new on the job and the other is protocol.

Just as he was at Litton, Gray is Number 3 man on the executive totem pole at United Aircraft. William P. Gwinn is chairman and chief executive officer. Arthur E. Smith is second in command as chairman of the executive committee.

Gwinn will retire next year at age 65.

Smith, who is 60, is expected to succeed Gwinn as chairman.

So for now, Gray talks about UAC in such generalities as, "the aerospace situation is still too uncertain to forecast a stabilizing of the employment picture at United Aircraft."

The corporation, Connecticut's largest private employer, has laid off nearly 10,000 workers this year. As of Sept. 30 there were 58,800 employees in several divisions and subsidiaries. Pratt & Whitney Aircraft is the largest.

But there is a way to circumvent Gray's "no comment" strategy on questions relating to United Aircraft.

The Chinese have it with a thing that says, "Study a man's words and you walk in his footprints."

If you had attended the May 17, 1966 meeting of the Denver Society of Security Analysts you would have heard Gray describe his kind of executive:

"He directs and manages with executive, not judicial, technique. He conceives his function as being not merely to resolve the conflicts of ideas and objectives among his subordinates, but also to have ideas and position of his own, and to convince others of their merit."

The security analysts had invited Gray, who was then senior vice president of finance and administration for Litton Industries, to speak to them and listened as he went on.

"The sort of person I am describing doesn't just sit and wait—as the proverb goes, 'prepared for opportunity'—he creates opportunity: For himself, for his ideas, and for those who join him. He is intellectually and emotionally oriented to the future, not the past."

Gray, reading those words today, five years after he delivered them, says the sentiments expressed are still valid.

ORIGINS IN GEORGIA

Gray's footprints literally go back to a small farm at a crossroads 20 miles outside Augusta, Ga.

But there is nothing of the Georgia farm boy in Gray today. His dress is executive suite: meticulous and conservative. And his southern drawl was obliterated in speech classes at the University of Illinois.

After receiving a bachelor's degree in journalism, with a major in marketing, in 1941, Gray went to war.

After the war, Gray returned to the University of Illinois for a master's degree, was an instructor there for a while, and finally landed his first job as an advertising manager for an auto dealer in Chicago.

Gray claims credit for originating the advertising gimmick of having an auto dealer do his own commercials on radio. It's a common practice today in broadcast advertising.

The job with the Dodge dealer was a pattern-setter. Gray got his first problem.

There were problems in the service department. He became service manager.

There were problems in sales. He became sales manager.

He didn't like car sales so he switched to truck sales and built up the largest sales volume Dodge truck dealership in the U.S. This happened from 1947 to 1950.

With that success, Gray thought it was time he should be sharing in some of the profits he was creating. But the dealer balked and Gray went to work selling buses for another outfit.

That job was great until the Korean Conflict caused steel allocations to be cut—resulting in reduced production of buses and a halved paycheck for Gray. He quit.

Because of his success in selling buses, Gray had a good reputation at Greyhound Corp. One of their divisions, Greyhound Movers, was having trouble in marketing and warehousing and Gray was tapped to work out the problems.

He was good enough to become an executive vice president and general manager, but when he suggested a stock option plan for executives and diversification, Greyhound's board of directors said no.

So once more, Gray packed his brief case and moved on.

He went to California and there began his 17-year association with Litton Industries.

There must be one more reference to Gray's motorcycle accident. It will show the man's grit.

It took him eight months to recuperate from the accident and he hardly missed a day of work.

At the time he was a corporate vice president in charge of Litton's Components Group, so he had the company rent the room next to his in the hospital, install telephone trunk lines and a secretary, and he conducted his business that way for four months.

After he was discharged from the hospital, he went home and worked out of his living room for four months.

Gray does not smoke and is a social drinker. He attended a Presbyterian church in California.

His wife is the former Barbara Helen Sander. They met at the University of Illinois.

The Grays have two daughters, Pamela, 24, who is Mrs. James Rivette, who lives in California with her husband and 9-month-old son; and Vicky Lynn, 17, a senior in a private school in Scottsdale, Ariz.

The Grays are renting a home in West Hartford while they look for a house to buy.

ENVIRONMENTALISTS ENCOURAGE GAS SHORTAGE AND PRICE HIKE

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 9, 1971

Mr. RARICK. Mr. Speaker, with our Nation facing an acute natural gas shortage which may be felt in many cold homes in the North this winter, I think that it should be of interest to our colleagues that several ecology groups have filed suit in the U.S. court in Washington to stop offshore oil leasing in the Louisiana-Texas area.

Many of us from the South are pleased that the environmentalists are watchful in minimizing pollution in our area. We hope their many friends in the North and Midwest will understand when the cold hits this winter as well as the consumer groups understanding any gasoline price increases.

A related newsclipping follows:

[From the Washington Post, Dec. 5, 1971]
THREE GROUPS SUE TO BLOCK SALE OF GAS AND OIL LEASES OFF LOUISIANA

Three environmental groups have filed suit to block the Interior Department's Dec. 21 sale of oil and gas leases on the outer continental shelf off Louisiana.

The Natural Resources Defense Council, Friends of the Earth, and the Sierra Club filed suit Wednesday in U.S. District Court here, contending the Interior Department's environmental impact statement on the planned sale was inadequate.

The groups said the statement does not discuss adequately the possible alternatives to further offshore leasing, such as increased oil imports or an end to the prorationing system by which Texas and Louisiana limit their oil production.

Secretary of the Interior Rogers C. B. Morton expressed surprise at the suit.

A spokesman quoted Morton on Friday as saying: "We gave very serious and intensive study to alternatives and we believe we fully complied with the letter and the spirit of the National Environmental Policy Act, which requires the preparation of environmental statements."

"Further, for good environmental reasons, we deleted eight tracts from the sale and attached special stipulations to 16 of the remaining tracts that are being offered for lease."

"We anticipate the sale will alleviate the critical and increasing energy shortage in keeping with the President's energy message to the Congress on June 4."

The department spokesman said Interior's environmental impact statement said discussion of oil import policy or other energy sources was beyond its scope. It did not mention the Louisiana and Texas prorationing systems.

The department was planning to hold bidding on 78 offshore tracts on Dec. 21 in New

Orleans. Eight tracts originally proposed for leasing were withdrawn because of their proximity to waterfowl sanctuaries.

The environment groups requested, in their suit, a declaratory judgment that Interior failed to comply with the legal prescription for environmental statements.

They also asked for a preliminary injunction to prevent the lease sale until the department is judged to have complied with the law.

THE DISASTER LOBBY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 9, 1971

Mr. CRANE. Mr. Speaker, there are many in America who see in all of our difficulties major "crises," and who see Government intervention and the expenditure of huge sums of money as the only "answers" to such problems.

Speaking of such critics, Prof. Robert Nisbet of the University of California stated that:

As brilliance, rather than profundity of knowledge is the style of the intellectual, so a high sensitivity to the existence of "crisis" is the hallmark of this thought. Among modern intellectuals, further, there is a frequently observed fondness for the uses of power, especially centralized, bureaucratized power in service to large-scale objectives.

Those who see all difficulties in terms of "crisis" and "disaster" rarely solve even the minor difficulties which do, in fact, exist. They seek, too often, to tear down the house rather than repair the roof, and they transform a minor problem into a major crisis which never existed until their own efforts came into play.

In a recent article Thomas R. Shepard, Jr., publisher of *Look* magazine, discussed the misconceptions held by those to whom he refers as "the Disaster Lobby."

With regard to oxygen, for example, those he calls disaster lobbyists argue that the burning of fuels by industry is using up the earth's oxygen and that, eventually, there will not be enough left to sustain human life. To this Mr. Shepard replies:

The National Science Foundation recently collected air samples at 78 sites around the world and compared them with samples taken 61 years ago. Result? There is precisely the same amount of oxygen in the air as there was in 1910—2.95 per cent.

To the argument that our society is becoming overpopulated and that, as a result, some form of compulsory birth control instituted by Government in order to avert a disaster, is needed, Mr. Shepard responds:

The birth rate in the United States has been dropping continuously since 1955 and is now at the lowest point of history. If the trend continues, it is remotely possible that by the year 4000 there won't be anyone left in the country.

He noted, however, that:

I wouldn't fret about underpopulation either. Populations have a way of adjusting to conditions, and I have no doubt that our birth rate will pick up in due course.

In his important article, Mr. Shepard alludes to the other so-called disaster areas facing our society, the question of air and water pollution, of the conservation of animal life, and of drug addiction. He has important things to say with regard to each of these questions.

The real disaster our society faces, he argues, is none of these things, but may be the loss of freedom which is brought upon us by those attempting to solve disaster areas which are primarily of their own making.

Mr. Shepard points to the ironical fact that those who demand freedom in other areas of their lives, care little about economic freedom, a freedom which, he notes, "has made available to the average American luxuries that a short time ago were beyond the reach of the wealthiest plutocrat."

Speaking of this false double standard, he writes that:

I am always amazed that members of the Disaster Lobby—Libertarians who champion the cause of freedom from every podium, who insist on everyone's right to dissent, to demonstrate, to curse policemen and smoke pot and burn draft cards and fly the flags of our enemies while trampling our own—these jealous guardians of every citizen's prerogative to act and speak without government restraint are also the most outspoken advocates of eliminating freedom in one area. When it comes to commerce, to the making and marketing of goods, our liberty-loving Disaster Lobby is in favor of replacing freedom with rigid controls.

I wish to share Mr. Shepard's perceptive words with my colleagues, and insert them into the RECORD at this time:

THE DISASTER LOBBY

(By Thomas R. Shepard, Jr.)

One morning last fall I left my office here in New York and hailed a cab for Kennedy Airport. The driver had the radio tuned to one of those daytime talk shows where the participants take turns complaining about how terrible everything is.

Air pollution. Water pollution. Noise pollution. Racial unrest. Campus unrest. Overpopulation. Underemployment. You name it, they agonized over it. This went on all the way to Kennedy and as we pulled up at the terminal the driver turned to me and said—and I quote—"If things are all that bad, how come I feel so good?"

Ladies and gentlemen, I wonder how many Americans, pelted day after day by the voices of doom, ever ask themselves that question: "If things are all that bad, how come I feel so good?"

Well, I think I have the answer. We feel good because things aren't that bad. Today I would like to tell you how wrong the pessimists are, and to focus an overdue spotlight on the pessimists themselves. These are the people who, in the name of ecology or consumerism or some other "ology" or "ism," are laying siege to our state and federal governments, demanding laws to regulate industry on the premise that the United States is on the brink of catastrophe and only a brand-new socio-economic system can save us. I call these people The Disaster Lobby, and I regard them as the most dangerous men and women in America today.

Dangerous not only to the institutions they seek to destroy but to the consumers they are supposed to protect.

Let's begin with a close-in look at that drumbeat of despair I heard in the taxicab and that all of us hear almost every day. Just how much truth is there to the Disaster Lobby's complaints?

ENVIRONMENT MISCONCEPTIONS

Take the one about the oxygen we breathe. The Disaster folks tell us that the burning of fuels by industry is using up the earth's oxygen and that, eventually, there won't be any left and we'll suffocate. False. The National Science Foundation recently collected air samples at 78 sites around the world and compared them with samples taken 61 years ago. Result? There is today precisely the same amount of oxygen in the air as there was in 1910—20.95 per cent.

But what about air pollution? You can't deny that our air is getting more fouled up all the time, says the Disaster Lobby. Wrong. I can deny it. Our air is getting less fouled up all the time, in city after city.

In New York City, for example, New York's Department of Air Resources reports a year-by-year decrease in air pollutants since 1965. What's more, the New York City air is immeasurably cleaner today than it was a hundred years ago, when people burned soft coal and you could cut the smog with a knife.

Which brings us to water pollution. The Disaster Lobby recalls that, back in the days before America was industrialized, our rivers and lakes were crystal clear. True. And those crystal-clear rivers and lakes were the source of the worst cholera, yellow fever and typhoid epidemics the world has ever known. Just one of these epidemics—in 1793—killed one of every five residents of Philadelphia.

Our waterways may not be as pretty as they used to be, but they aren't as deadly, either. In fact, the water we drink is the safest in the world. What's more, we're making progress cosmetically. Many of our streams will soon look as wholesome as they are.

Perhaps it's the fear of overpopulation that's getting you down. Well, cheer up. The birth rate in the United States has been dropping continuously since 1955 and is now at the lowest point in history. If the trend continues, it is remotely possible that by the year 4000 there won't be anyone left in the country. But I wouldn't fret about underpopulation, either. Populations have a way of adjusting to conditions, and I have no doubt that our birth rate will pick up in due course.

I now come to the case of the mercury in tuna fish. How did it get there? The Disaster Lobby says it came from American factories. The truth, as scientists will tell you, is that the mercury came from deposits in nature.

To attribute pollution of entire oceans to the 900 tons of mercury released into the environment each year by industry—that's less than 40 carloads—is like blaming a boy with a water pistol for the Johnstown Flood. Further proof? Fish caught 44 years ago and just analyzed contain twice as much mercury as any fish processed this year.

Speaking of fish, what about the charge that our greed and carelessness are killing off species of animals? Well, it's true that about 50 species of wildlife will become extinct this century. But it's also true that 50 species became extinct last century. And the century before that. And the century before that.

In fact, says Dr. T. H. Jukes of the University of California, some 100 million species of animal life have become extinct since the world began. Animals come and animals go, as Mr. Darwin noted, and to blame ourselves for evolution would be the height of foolishness.

OTHER FALLACIES

Then there is the drug situation. Isn't it a fact that we are becoming a nation of addicts? No, it is not. Historically, we are becoming a nation of non-addicts. Seventy years ago, one of every 400 Americans was hooked on hard drugs. Today, it's one in 3,000. So, despite recent experimentation with drugs by teenagers, the long-range trend is downward, not upward.

Another crisis constructed of pure poppy-

cock is the so-called "youth rebellion," to which the Disaster Lobby points with mingled alarm and glee. But once you examine the scene in depth—once you probe behind a very small gaggle of young trouble-makers who are sorely in need of an education, a spanking and a bath, not necessarily in that order—you can't find any rebellion worth talking about.

A while back *Look* commissioned Gallup to do a study on the mood of America. Gallup found that, on virtually every issue, the views of teenagers coincided with those of adults. And on those issues where the kids did not see eye-to-eye with their elders, the youngsters often tended to be more conservative.

The same assessment can be made of the putative black rebellion. There isn't any. Oh, there are the rantings of a lunatic fringe—a few paranoid militants who in any other country would be behind bars and whose continued freedom here is testimony to the fact that we are the most liberated and least racist nation on earth. But the vast majority of black Americans, as that same Gallup study revealed, are staunch believers in this nation.

How about unemployment? The Disaster people regard it as a grave problem. Well, I suppose even one unemployed person is a grave problem, but the record book tells us that the current out-of-work level of 6 per cent is about par. We've had less, but we've also had more—much more.

During the Kennedy Administration unemployment topped 7 per cent. And back in the recovery period of Franklin Roosevelt's second term, unemployed reached 25 per cent. So let's not panic over this.

That word "panic" brings me to the H-bomb. Some people have let the gloom-mongers scare them beyond rational response with talk about atomic annihilation. I can't guarantee immunity from the bomb, but I offer the following as food for thought. Since World War II, over one billion human beings who worried about A-bombs and H-bombs died of other causes. They worried for nothing. It's something to think about.

One final comment on the subject. Members of the Disaster Lobby look back with fond nostalgia to the "good old days" when there weren't any nasty factories to pollute the air and kill the animals and drive people to distraction with misleading advertisements. But what was life really like in America 150 years ago?

THE GOOD OLD DAYS

For one thing, it was very brief. Life expectancy was 38 years for males. And it was a grueling 38 years. The work week was 72 hours. The average pay was \$300. Per year, that is.

The women had it worse. Housewives worked 98 hours a week, and there wasn't a dishwasher or vacuum cleaner to be had. The food was monotonous and scarce. The clothes were rags. In the winter you froze and in summer you sweltered and when an epidemic came—and they came almost every year—it would probably carry off someone in your family. Chances are that in your entire lifetime you would never hear the sound of an orchestra or own a book or travel more than 20 miles from the place you were born.

Ladies and gentlemen, whatever American businessmen have done to bring us out of that paradise of 150 years ago, I say let's give them a grateful pat on the back—not a knife in it.

Now I'm not a Pollyanna. I am aware of the problems we face and of the need to find solutions and put them into effect. And I have nothing but praise for the many dedicated Americans who are devoting their lives to making this a better nation in a better world.

CONDITIONS IMPROVING

The point I am trying to make is that we are solving most of our problems, that conditions are getting better not worse, that

American industry is spending over \$3 billion a year to clean up the environment and additional billions to develop products that will keep it clean, and that the real danger today is not from the free enterprise establishment that has made ours the most prosperous, most powerful and most charitable nation on earth.

No, the danger today resides in the Disaster Lobby—those crepe-hangers who, for personal gain or out of sheer ignorance, are undermining the American system and threatening the lives and fortunes of the American people.

When I speak of a threat to lives, I mean it literally. A classic example of the dire things that can happen when the Disaster Lobby gets busy is the DDT story.

DDT ALTERNATIVES

It begins during World War II when a safe, cheap and potent new insecticide made its debut. Known as DDT, it proved its value almost overnight. Grain fields once ravaged by insects began producing bumper crops. Marshland became habitable. And the death rate in many countries fell sharply.

According to the World Health Organization, malaria fatalities dropped from four million a year in the 1930s to less than a million by 1968. Other insect-borne diseases also loosened their grip. Encephalitis. Yellow fever. Typhus.

Wherever DDT was used, the ailment abated. It has been estimated that a hundred million human beings who would have died of one of these afflictions are alive today because of DDT.

But that's not the whole story. In many countries famine was once a periodic visitor. Then, largely because of food surpluses made possible by DDT, famines became relatively rare. So you can credit this insecticide with saving additional hundreds of millions of lives.

Then in 1962 a lady named Rachel Carson wrote a book called *Silent Spring* in which she charged that DDT had killed some fish and some birds. That's all the Disaster Lobby needed.

It pounced on the book, embraced its claims—many of them still unsubstantiated—and ran off to Washington to demand a ban on DDT. And Washington meekly gave them their ban, in the form of a gradual DDT phase-out. Other countries followed the U.S. lead.

The effects were not long in coming. Malaria, virtually conquered throughout the world, is having a resurgence. Food production is down in many areas. And such pests as the gypsy moth, in hiding since the 1940s, are now munching away at American forests.

In some countries—among them Ceylon, Venezuela and Sweden—the renaissance of insects has been so devastating that laws against DDT have been repealed or amended. But in our country the use of DDT, down to 10 per cent of its former level, may soon be prohibited entirely.

The tragedy is that DDT, while it probably did kill a few birds and fish, never harmed a single human being except by accidental misuse. When the ultimate report is written, it may show that the opponents of DDT—despite the best of intentions—contributed to the deaths of more human beings than did all of the natural disasters in history.

In addition to endangering human life, the Disaster Lobbyists are making things as difficult as possible for us survivors. By preventing electric companies from building new power plants, they have caused most of those blackouts we've been experiencing.

CONSUMERISM

By winning the fight for compulsory seat belts in automobiles, they have forced the 67 per cent of all Americans who do not use seat belts to waste \$250 million a year buying them anyway.

By demanding fewer sizes in package goods on the ground that this will make shopping easier for the handful of dumbbells in our society, they are preventing the intelligent majority of housewives from buying merchandise in the quantities most convenient and most efficient for their needs.

And I don't have to tell anyone in this room what the Disaster crowd has done and is doing to make washday a nightmare in millions of American homes. By having the sale of detergents banned in some areas and by stirring up needless fears throughout the country, they have missed the point entirely.

As Vice President Charles Buellman of the Soap and Detergent Association recently pointed out, detergents with phosphates are perfectly safe, eminently effective and admirably cheap. And if they foam up the water supply in some communities, the obvious remedy is an improved sewer system. To ban detergents is the kind of overkill that might be compared with burning down your house to get rid of termites.

THREAT TO FREE ENTERPRISE

But of all activities of the Disaster Lobbyists, the most insidious are their attempts to destroy our free enterprise system. And they are succeeding only too well.

According to Prof. Yale Brozen of the University of Chicago, free enterprise in the United States is only half alive. He cited as evidence our government's control of the mail, water supplies, schools, airlines, railroads, highways, banks, farms, utilities and insurance companies, along with its regulatory involvement in other industries.

And his statement was made prior to introduction in Congress last year of 150 bills designed to broaden government influence over private business.

Fortunately, most of the bills were defeated or died in committee. But they will be back in the hopper this year, along with some new bills. And they will have support from the darlings of the Disaster Lobby—senators like Moss, Proxmire and Hart and Representatives like Rosenthal of New York.

If so many important people are against free enterprise, is it worth saving? I think it is. With all its faults, it is by far the best system yet devised for the production, distribution and widespread enjoyment of goods and services.

It is more than coincidence that virtually all of mankind's scientific progress came in the two centuries when free enterprise was operative in the Western world, and that most of the progress was achieved in the nation regarded as the leading exponent of free enterprise: the United States of America.

For in the past 200 years—an eyblink in history—an America geared to private industry has conquered communicable diseases, abolished starvation, brought literacy to the masses, transported men to another planet and expanded the horizons of its citizens to an almost incredible degree by giving them wheels and wings and electronic extensions of their eyes, their ears, their hands, even their brains. It has made available to the average American luxuries that a short time ago were beyond the reach of the wealthiest plutocrat.

And by developing quick-cook meals and labor-saving appliances, it has cut kitchen chores in most homes from five hours a day to an hour and a half—and as a result has done more to liberate women than all of the bra-burning Betty Friedans, Gloria Steinems and Kate Millets combined.

THREAT TO FREEDOM

But the practical benefits of free enterprise are not my principal reason for wanting to preserve the system. To me, the chief advantage of free enterprise is in the word "free." "Free" as opposed to controlled. "Free" as opposed to repressed. "Free" as in "freedom."

I am always amazed that members of the

Disaster Lobby—libertarians who champion the cause of freedom from every podium, who insist on everyone's right to dissent, to demonstrate, to curse policemen and smoke pot and burn draft cards and fly the flags of our enemies while trampling our own—these jealous guardians of every citizen's prerogative to act and speak without government restraint are also the most outspoken advocates of eliminating freedom in one area. When it comes to commerce, to the making and marketing of goods, our liberty-loving Disaster Lobby is in favor of replacing freedom with rigid controls.

And let us not minimize the value of this freedom of commerce to every man, woman and child in our country.

This is the freedom that makes it possible for the consumer to buy one quart of milk at a time—even though a government economist may think gallon containers are more efficient and quarts should be abolished.

This is the freedom that enables the consumer to buy rye bread if he prefers the taste—although someone in Washington may feel that whole-wheat is more nutritious and rye should be outlawed.

This is the freedom that allows the consumer to buy a refrigerator in avocado green despite some bureaucrat's desire to have all refrigerators made in white because it would be more economical that way.

For in a free economy, the consumer—through his pocketbook—determines what is made and what is sold. The consumer dictates the sizes, the shapes, the quality, the color, even the price.

And anyone who doubts the importance of this element of freedom ought to visit one of those grim, drab countries where the government decides what should and what should not be marketed.

But this is the direction in which the Disaster Lobby is pushing our country. What surprises me is how few of us seem to recognize the enormity of the threat. Instead of fighting back, we keep giving in to each insane demand of the consumerists—in the hope, I suppose, that if we are accommodating enough the danger will go away.

Well, ladies and gentlemen, it won't go away. If I accomplish nothing else today, I hope I can make that fact transparently plain.

NADER'S INTERESTS

Take the Nader group, for example. I have heard many businessmen dismiss Ralph Nader and his associates as well-meaning fellows who sincerely want to help the consumer by improving business methods.

Forget it. Mr. Nader isn't interested in seeing American industry clean house. What he wants is the house—from cellar to attic. His goal is a top-to-bottom takeover of industry by the government, with Mr. Nader, himself, I would guess, in charge of the appropriate commission.

Find it hard to believe? Then listen to this Associated Press report of a speech he made last September:

"Consumer advocate Ralph Nader has proposed that corporations that abuse the public interest should be transferred to public trusteeship and their officers sent to jail."

Well, we all know which corporations abuse the public interest in the eyes of Mr. Nader, don't we. All of them. The automobile companies. The tire companies. The appliance companies. The drug companies. The food companies. And yes, indeed, the soap and detergent companies.

What Mr. Nader really desires, ladies and gentlemen, is for the government to take over your companies and to toss all of you into the calaboose, presumably without a trial. At least he never said anything about a trial.

Does anyone still think Mr. Nader and the rest of the Disaster Lobby are just some harmless do-gooders? Those who know them best don't think so. Federal Trade Commissioner Paul Rand Dixon, for example. Not long ago,

he said of Mr. Nader—and I quote—"He's preaching revolution, and I'm scared."

So let's start fighting back! It's not an impossible task because the Disaster Lobby is, by and large, not too bright and far too preposterous. All we have to do to win over the American people is acquaint them with the facts.

We must show them that the consumerists are for the most part devout snobs who believe that the average man is too stupid to make his own selections in a free marketplace.

MIXED-UP EXTREMISTS

Our Disaster group opponents also have the most cockeyed set of priorities I have ever encountered. To save a few trees, they would prevent construction of a power plant that could provide essential electricity to scores of hospitals and schools. To protect some birds, they would deprive mankind of food. To keep fish healthy, they would allow human beings to become sick.

One curious feature of the Disaster Lobby is an almost total lack of ethics. I say "curious" because these are the people who demand the maximum in ethics from private industry.

Not long ago, an organization favoring clean air ran an ad soliciting funds from New Yorkers. It was full of half-truths and non-truths, including this sentence: "The longer you live with New York's polluted air and the worse it gets, the better your chances of dying from it." But we know that New York's air is *not* getting worse. Just let some private company run that ad and see how fast the consumerism boys would have a complaint on file with the FTC.

Immaturity is also a characteristic of the Disaster man. His favorite question is, Why can't we have everything? Why can't we have simon-pure air and plentiful electricity and low utility rates, all at the same time? Why can't we have ample food and a ban on pesticides? I recommend the same answer you would give a not-too-intelligent five-year-old who asks, "Why can't I eat that cookie and still have it?" You explain that you just can't under our present technology.

Just recently the Coca-Cola Co. felt it necessary to reply to environmentalists who demand immediate replacement of glass and metal soft drink containers with something that will self-destruct. "A degradable soft drink container sounds like a fine idea," said Coca-Cola, "but it doesn't exist. And the chances are that one can't be made."

And Edward Cole, president of General Motors, responding to a government mandate for drastic reductions in exhaust emissions within the next four years, stated: "The technology does not exist at this time—inside or outside the automobile industry—to meet these stringent emission levels in the specified time."

This inability of the Disaster people to accept reality is reflected in their frequent complaint that mankind interferes with nature. Such a thing is patently impossible. Man is *part* of nature. We didn't come here from some other planet. Anything we do, we do as card-carrying instruments of nature.

You don't accuse a beaver of interfering with nature when it chops down a tree to build a dam. Then why condemn human beings for chopping down a lot of trees to build a lot of dams—or to do anything else that will make their lives safer or longer or more enjoyable?

When it comes to a choice between saving human lives and saving some fish, I will sacrifice the fish without a whimper. It's not that I'm anti-fish; it's just that I am pro-people.

The Disaster Lobbyist's immaturity shows up again and again in his unwillingness to compromise, to understand that man must settle for less than perfection, for less than zero risk, if he is to flourish. Failing to understand, they demand what they call "ade-

quate testing" before any new product is released to the public. But what they mean by adequate testing would, if carried out, destroy all progress.

If penicillin had been tested the way the Disaster Lobby wants all products tested—not only on the current generation but on future generations, to determine hereditary effects—this wonder drug would not be in use today. And millions of people whose lives have been saved by penicillin would be dead.

We simply cannot test every aspect of human endeavor, generation after generation, to make absolutely certain that *everything* we do is *totally* guaranteed not to harm *anybody* to *any* degree whatsoever. We must take an occasional risk to do the greater good for the greater number. But that is a rational, mature evaluation—something of which the Disaster Lobby seems utterly incapable.

So this is the face of the enemy. Not a very impressive face. Not even a pleasant face. We have nothing to lose, therefore, by exposing it to the American people for what it is.

ACTION NEEDED

The time for surrender and accommodation is past. We must let the American public know that, once free enterprise succumbs to the attacks of the consumerists and the ecologists and the rest of the Disaster Lobby, the freedom of the consumer goes with it. His freedom to live the way he wants and to buy the things he wants without some Big Brother in Washington telling him he can't.

Truth and justice and common sense are on our side. And Americans have a history of responding to these arguments. All we have to do is get the story out—as often as possible, in as many forms as possible. And let's not vitiate our efforts by talking to each other—one businessman to a fellow businessman.

The people we must reach are the consumers of America, and they're out there right now listening to propaganda from the other side and, as often as not, agreeing with it. But why shouldn't they? They have yet to hear the truth.

It's a bit late to make a New Year's resolution, but I suggest this one for anyone willing to chip in with a tardy entry. Let us resolve that 1971 will be the year we help convince the people of America that our nation is a great one, that our future is a bright one and that the Disaster Lobby is precisely what the name implies. A disaster.

SOME BRICKBATS FOR THE PRESS

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 9, 1971

Mr. BOLLING. Mr. Speaker, the following article by John P. Roche, which appeared in the Washington Post of December 8, makes interesting reading:

[From the Washington Post, Dec. 8, 1971]

SOME BRICKBATS FOR THE PRESS

(By John P. Roche)

At the risk of annoying editors and boring readers, I want to return to my unanswered question about South Vietnam. Well over a year ago listening to the orchestration of abuse against President Thieu and his government—I asked all the pontiffs a simple question: If Thieu is a "facist" running a "vicious police state," how come he is arming the peasants? It is obvious that no dictator in his right mind is going to hand out rifles to the hostile masses, but by now the Republic of Vietnam has armed some 2,000,000 of its citizens.

For some reason or other, nobody has even tried to answer that question. What makes his loud silence even more interesting is that the people who have been handed guns were allegedly the backbone of revolutionary discontent, the "landless tenants" victimized by great landowners. Why have these victims of exploitation refused to turn their guns against their province chiefs, the local gauleiters of the hated Saigon regime?

There may not be a valid domino theory in international relations, but there certainly is one that operates in the American press. In 1968, as best one can date it, the conventional wisdom in journalistic circles wrote off Saigon as a loser. From that point on, this proposition was taken as a given in the equation. Those of us who persisted in arguing that Tet was a tremendous victory for our side, or that the Thieu government had at least a fighting chance of surviving, were written off as slightly obsessed crackpots. After all, hadn't John Kenneth Galbraith gone to the top of the mountain in March, 1968, to announce that the South Vietnamese government would totally collapse in six weeks?

Oddly enough, in retrospect, the Tet offensive may well have marked the watershed in the military balance: Hanoi has never recovered from the fearful beating its forces took. And in the wake of Tet, the Saigon government—far from collapsing—suddenly achieved new vitality and self-confidence. Moreover, the decline in Hanoi's striking capacity gave Thieu some breathing space, an opportunity to start on needed policies of domestic reform that would undermine the appeal of the Vietcong.

First and foremost was land reform. In a sadly neglected article in the Wall Street Journal (2-5-71), Professor Roy Posterman, a long-time advocate of vigorous land reform in Vietnam, pointed out that in late 1968 President Thieu gave this program top priority, in 1969 he fought off the landlord interests and got the National Assembly to pass the "Land to the Tiller" bill, and in 1970 the action started. In effect, Thieu sponsored an agrarian revolution of his own: 800,000 tenant farmer families (about 5,000,000 people) in 1968, more than 450,000 families have now become landowners! Posterman, who was a chief legal adviser, told me that "at the present rate of progress, virtually all tenant farming in South Vietnam will have been ended by this time next year."

While the New York Times hailed the passage of the "Land to the Tiller" act as "possibly the most imaginative and progressive non-Communist land reform of the 20th century" (4-9-70), it has not since reverted to the subject in any significant fashion. Yet, land reform is the key to the dilemma of the strange counter-revolutionary behavior of the armed peasantry. Throughout the 1960s, the Vietcong recruited like fish in the sea, telling the tenants, "We have given you land, now give us your son." Now the son is working the farm and the spectre that worries him is not the landlord, but collectivization on the North Vietnamese model. The rifle behind the door is his insurance policy.

Which leads to a final odd thought: In a war characterized by paradoxes, the Thieu government may find its major future problem not the pacification of the countryside, but the suppression of urban terrorism.

PROBE OF FHA ABUSES IN DETROIT

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 9, 1971

Mr. CONYERS. Mr. Speaker, last week the Subcommittee on Legal and

Monetary Affairs of the House Committee on Government Operations was in Detroit, Mich., conducting an investigation into the increasing rate of default on FHA-insured mortgages. I was pleased to accept the invitation of Subcommittee Chairman JOHN S. MONAGAN to accompany the subcommittee on its inspection of homes and to participate in the subcommittee's hearings on Friday and Saturday.

The problem which the Monagan subcommittee is investigating is one which deserves congressional attention. Over the years Congress has enacted numerous housing acts which seek to provide housing for low- and moderate-income people in our cities. But legislation which appears to address the problems of the poor, has, it seems, been perverted to serve the purposes of unscrupulous real estate speculators, as the attached articles indicate.

The housing acts creating the subsidized housing programs are filled with opportunities for the profiteer to take advantage of both the public and the Government. Only a high degree of circumspection and integrity on the part of the Department of Housing and Urban Development can prevent the misuse of the housing programs, and I think that this point is illustrated by the testimony the subcommittee received last week.

I am not calling for the curtailment of the programs which seek to provide housing for low- and moderate-income people. Far from it; I feel that, if anything, more effort is needed in this area. The amount of time, money, and effort which must be spent to solve this country's urban problems will require a multiplication of our present commitments.

I want to commend Chairman MONAGAN and his committee for exercising their oversight responsibilities respecting HUD. That committee is engaged in a fact-finding investigation, long overdue in the field of urban housing. Without these facts it is impossible to evaluate the effect of existing programs and their predecessors. I urge the Monagan subcommittee to continue its penetrating probe throughout the Nation, for, in my judgment, the problems of Detroit, which indeed are serious, are reflected in many cities.

I am submitting for insertion in the RECORD a series of newspaper articles which summarize the evidence which the Monagan subcommittee received. I commend these articles to the consideration of my colleagues.

OPENING STATEMENT BY HON. JOHN S. MONAGAN, CHAIRMAN, LEGAL AND MONETARY AFFAIRS SUBCOMMITTEE

The Members of the Legal and Monetary Affairs Subcommittee of the House Government Operations Committee have come to Detroit to evaluate the reasons for the alarming increase in the rate of default in FHA-insured mortgages of real estate in this City.

Our Committee has a Congressional mandate to examine the operations of Government agencies to determine whether or not they operate with efficiency and economy. Under this general charge, our Subcommittee has jurisdiction over the Department of Housing and Urban Development and the various organizations including FHA within that Department.

We arrived this morning and have conducted a tour of selected foreclosed units,

both single and multi-family, and neighborhoods primarily in the east side of Detroit. The cooperation extended to the Subcommittee by Mr. William Whitbeck, Area Director, HUD, and Mayor Gribbs and city officials is very much appreciated.

The Subcommittee, as has been widely reported, yesterday conducted hearings in Washington at which time representatives of the General Accounting Office presented the results of their survey efforts here in the Metropolitan Detroit area. It is clearly recognized by the Subcommittee that the reasons for the present situation are most complex and it is certainly this Subcommittee's desire to avoid reaching premature judgments in Detroit and elsewhere throughout the nation until such time as the views of those having an expertise in this complex area of housing have had an opportunity to testify.

I think we have all realized for some time that the type situation which exists in Detroit has many ramifications extending beyond the suffering of individual tenants and/or purchasers and the potential risk to the FHA insurance fund. The problems of a deteriorating neighborhood and the ultimate costs that will be involved to return these type neighborhoods to a viable condition are significant. The plight of many individuals, desperately trying to hold on to their homes in neighborhoods such as we have seen this morning, cannot be overemphasized.

The HUD inventory of acquired FHA insured properties in Detroit increased from 810 on August 1, 1969 to 5297 on October 1, 1971. This constitutes an increase in the foreseeable future. Of the 2034 properties disposed of by the FHA in the two-year period, the average cost to the Government has been \$9,974. This means that the FHA General Insurance and Special Risk Funds have been compelled to pay \$20 million in these cases and that there is a potential liability of over \$50 million in the inventory of homes on hand at the present time.

The FHA reserve funds, financed by mortgage insurance premiums, have since the beginning of FHA been deemed actuarially sound. It would be infinitely more serious if the situation in Detroit is found to exist in other major cities.

We do not seek to point the finger at anyone. We do not question the motives of anyone involved, however, we do desire to examine the situation closely to determine the operation of the governmental programs which have been involved and to discover what the basic facts are and what the causes are.

We are grateful for the welcome which has been extended to us by Mayor Gribbs. It is certainly the mark of a constructive administrator to welcome examination of a problem with strong Federal connotations which lies within the City he administers. On behalf of a Committee which has a deep interest in urban problems, we have been pleased to learn of the part which Mayor Gribbs played in bringing to fruition the recent \$500 million Ford Development Plan for the revitalization of downtown Detroit.

I should also like to express the appreciation of the Committee to the Department of Housing and Urban Development and in particular to Mr. William Whitbeck. At this point I would like to express, on behalf of Senators Hart and Griffin, and Congressman Diggs, their regrets at being unable to be present today and assert at this point in the record communications received from them.

[From the Detroit News, Nov. 29, 1971]
DETROIT HEARINGS TO AIR ABUSES OF FHA
(By Don Ball)

A congressional committee will hold public hearings in Detroit Friday and Saturday on past abuses of FHA mortgage insurance programs for low-income families.

The subcommittee on legal and monetary affairs of the House Operations Committee has been investigating FHA programs in Detroit for the past several months.

The committee hearings, headed by U.S. Rep. John S. Monagan, Connecticut Democrat, will start with a report by the General Accounting Office (GAO) on the multimillion-dollar losses suffered by the FHA insurance fund as a result of the soaring number of foreclosures in Detroit.

GAO will report to the subcommittee in Washington Thursday. Committee and staff members will come to Detroit Friday morning for a tour of the city before the hearings Friday afternoon and Saturday morning.

Detroit was picked as the first city to be visited by the committee because the foreclosure problem here is the worst in the nation—as revealed in articles in The Detroit News over the past 10 months. The articles also bared widespread abuses in the FHA programs, but there has yet to be an indictment by federal authorities growing out of those abuses.

Meanwhile, The News learned that the Wayne County prosecutor's office has renewed its investigation of possible fraud in sales of homes under the FHA programs for low-income families.

Prosecutor William L. Cahalan has assigned Jay Nolan, head of the fraud division, to direct the investigation and prosecute cases involving violations of state laws.

Information on violations of federal laws will be turned over to the U.S. attorney's office in Detroit.

Nolan admits, however, that most abuses of the FHA programs brought to his attention in the past were outside of his jurisdiction.

The abuses have resulted in misery and heartbreak for hundreds of low-income Detroit families bilked in purchases of homes which proved to be uninhabitable.

Partly as a result of the abuses, the foreclosure rate on FHA-insured mortgages in Detroit has soared to a record high. The U.S. Department of Housing and Urban Development (HUD) now owns nearly 5,000 homes in the city as a result of the foreclosures.

Eighty percent of the homes have been acquired by HUD over the last 20 months and some 750 of the repossessed homes were in such poor condition that HUD has ordered them torn down.

To date there has been only one real estate firm charged with irregularities in connection with sales of homes under the FHA program for low-income families.

The company allegedly sold the house before acquiring title to the property and is being prosecuted by Nolan's division.

Nolan has been concerned for more than 2 years about the sales of substandard homes to low-income families under the FHA program, but was unable to get action by Washington officials.

"The abuses of the FHA programs first came to our attention in 1969 when people came to us with complaints about being sold substandard homes which had been 'approved' by the FHA."

"The local FHA officials were concerned but said they could do nothing."

"I wrote a letter in December, 1969, to George Romney, secretary of HUD, outlining the problem and requesting him to help correct the serious situation."

"I didn't even receive an answer."

Nolan's probe actually will be the second investigation by the prosecutor's office into the sale of homes under FHA mortgage programs for low-income families.

The first investigation, conducted by the civil division, started last spring and a report on the findings was made public two weeks ago.

The report concluded that there had been no wrongdoing by real estate or mortgage firms and that the blame for the abuses of the mortgage programs rested with the FHA

because of its failure to enforce physical standards on homes sold under the programs.

The report was based on a study of the sales of 50 east side Detroit homes.

Not only was the sample for the study small, compared to some 30,000 home sales under the FHA programs in Detroit over the last three years, but it was off target.

Many of the transactions in the sample involved homes sold in the 1965-67 period, although the FHA programs for low-income families were not adopted until 1968.

Apparently the files on the 1965-67 sales were provided by HUD to the prosecutor's office as a result of a misunderstanding as to what the study was to cover.

Further, a report on the investigation was not turned over to the U.S. attorney's office as had been promised.

Ralph B. Guy Jr., U.S. attorney for eastern Michigan, had promised to follow up on any cases involving violation of federal laws which were turned up by the investigation.

Not only was Guy not received any information from the prosecutor's office, he said HUD has referred only 10 cases of possible violations of federal laws to his office so far this year.

"They come in raw and must be investigated by the FBI since I have no investigators," Guy said.

"The FBI decides its priorities and assigns investigators on that basis.

"I have not been contacted by Detroit area HUD officials with any request for special attention to FHA cases."

Guy said his office is concerned about the abuses of FHA mortgage programs reported in the press and promised prosecution of those involving violations of federal laws.

Some of the cases apparently involve only HUD regulations and not federal laws, he said.

"In those instances, HUD can take administrative action against the guilty individual or firms," Guy said.

However, there appears to be a question of just how high a priority is placed on FHA cases by the Justice Department.

A real estate broker who allegedly submitted false employment letters for the purpose of obtaining FHA insurance on home mortgages was reported to HUD in September, 1970.

The case was investigated by the FBI and the findings referred to the U.S. attorney's office. Now, however, the case has been sent back to the FBI for further investigation.

More recently, the FBI investigated a real estate salesman last spring for allegedly obtaining illegally high down payments on homes sold under an FHA mortgage subsidy program.

The case still has not been presented to a federal grand jury.

William C. Whitbeck, director of the Detroit area HUD office, said that since last January his office has referred 24 cases for investigation but some have not yet reached the U.S. attorney's office.

"Under our rules, we must send the cases first to the office of investigation at the HUD regional office in Chicago," he said.

"That office sends cases which merit further investigation to the U.S. attorney's office here in Detroit.

"Several of the 24 cases referred so far involve more than one person or firm."

He said he has talked to Guy about the procedures of his office and has cooperated fully with the prosecutor's office.

"We also have taken administrative action against several individuals and firms for violating HUD regulations," he said.

"We have stopped processing applications of several individuals and firms for FHA mortgage insurance since last January because of their past activities."

HUD also can blackmail individuals and firms by placing their names on its "undesirable risk determination" (UDR) list.

The UDR list is circulated nationwide and individuals and firms named on it are prohibited from doing business with the FHA.

In addition, HUD can permanently bar individuals and firms from doing business with the FHA under provisions of Section 512 of the federal housing law.

Whitbeck said neither of the disciplinary measures has been invoked against any Detroit firm this year except in the case of one company involved in fraudulent activities two years ago.

Whitbeck added that his agency can use its "good offices" to call a problem to the attention of the responsible real estate or mortgage company and ask for cooperation in correcting the situation.

"We have done this in a number of cases over the past months with considerable success," he said.

[From the Detroit News, Nov. 30, 1971]

FHA PROBES DUE IN DETROIT

(By Don Ball)

Detroit has been labeled a "horrible example" of what happened to the nation's big cities as a result of past mismanagement of the FHA's mortgage insurance programs for low-income families.

The U.S. General Accounting Office estimates that the FHA insurance fund faces a \$50 million loss because of the record number of foreclosures of FHA-insured mortgages on Detroit homes. A congressional committee plans to visit the city this week to find out first-hand what went wrong.

Because of the critical problem in Detroit, it was chosen to be the first of a number of cities to be visited by the legal and monetary affairs subcommittee of the House Government Operations Committee.

Headed by Rep. John S. Monagan, Connecticut Democrat and subcommittee chairman, the subcommittee will tour Detroit Friday morning and hold public hearings in the afternoon and Saturday morning in Federal Judge Thomas P. Thornton's courtroom in the Federal Building.

The committee's specific areas of concern are the same as those raised in articles which have appeared regularly in The Detroit News since January.

The News called attention to the misery and hardship of low-income families as a result of buying substandard homes under the FHA programs, the problem in the city of the growing number of homes left vacant as a result of foreclosures on FHA mortgages and the mounting costs to the FHA insurance fund.

Rep. Chet Holifield, California Democrat, chairman of the parent committee, and Monagan said in a joint statement yesterday in Washington:

"The alarming increase in foreclosures of FHA-insured mortgages in Detroit will be the immediate concern of the subcommittee.

"The HUD (U.S. Department of Housing and Urban Development) inventory of repossessed homes in Detroit has increased from around 900 in January, 1970, to nearly 4,600 as of last Oct. 1.

"There is every reason to believe the rate of foreclosures will continue to increase in the foreseeable future, costing the government an average of \$9,974 for every house ultimately disposed of by the FHA."

According to the latest figures of the Detroit-area HUD office, the number of repossessed homes in Detroit had increased to around 5,000 by the first of this month.

Based on the congressional estimate of the cost per home, the loss faced by the FHA because of foreclosures in Detroit has reached the \$50 million level.

The News revealed in an article on Feb. 18 that Wayne County had the highest foreclosure rate on FHA-insured mortgages of any area in the nation during the first nine months of 1970.

Because of the redemption period allowed

mortgage holders, those foreclosures began resulting in repossessed homes this year.

A spokesman for the Michigan Mortgage Bankers Association played down the seriousness of the foreclosure rate at the time of The News' article in February.

Hugh Ross, president of the Advance Mortgage Corp. and later president of the bankers association, said he saw nothing to be concerned about in the number of foreclosures and repossessions.

After The News called attention to areas in the city virtually turned into "ghost towns" by the large number of vacant homes owned by HUD as the result of mortgage foreclosures, Mayor Gribbs visited several of the hard-hit streets.

As a result, Gribbs wrote George Romney, secretary of HUD, about the problem and his concern about its effect on the city.

In his reply, Romney wrote:

"I, too, am concerned over the blight and deterioration which is affecting Detroit and many other urban centers.

"I am concerned over the mounting rate of property acquisitions pursuant to defaults on insured mortgages which HUD is experiencing in Detroit and elsewhere.

"Further, I am concerned that you have apparently reached the conclusion that the former condition is caused 'in large part' by the latter (the foreclosures) or by other, unnamed policies of HUD.

"I consider such a conclusion to be ill-founded and more than a little misleading to the general public."

Monagan said yesterday, however:

"Because of the seriousness of the situation in Detroit, the General Accounting Office (GAO) has for an extended period of time been in the process of reviewing HUD repossessions in that city.

"The GAO findings will be presented to the committee in Washington on Thursday so that it will be briefed for its visit to Detroit.

"At the public hearings in Detroit, the committee will be able to examine causes of the current foreclosure situation and steps being taken to bring it under control.

"The anticipated testimony of HUD officials from Washington also will give the committee an opportunity to consider the potential threat to the security of the FHA general insurance and special risk funds if the Detroit situation is mirrored in other cities."

[From the Detroit Free Press, Nov. 30, 1971]

HEARINGS SET ON FHA IN DETROIT

(By Marco Trbovich)

A congressional subcommittee announced Monday that it will hold hearings in Detroit this week on "the alarming increase in the rate of foreclosure of Federal Housing Authority (FHA) insured properties in Detroit."

The House government operations subcommittee on legal and monetary affairs will begin public hearings at 2 p.m. Friday in room 867 of the Federal Building, 231 W. Lafayette, downtown.

The announcement followed an earlier disclosure by the Wayne County prosecutor's office that an investigation is being renewed into possible fraud in sales of homes under FHA mortgage programs for low-income families.

House Government Operations Committee Chairman Chet Holifield D-Cal., said a Department of Housing and Urban Development (HUD) inventory of properties acquired in Detroit increased from 810 on Aug. 1, 1969, to 5,297 as of Sept. 30, 1971. The increase was primarily a result of foreclosures by FHA.

"There is every reason to believe that the rate of foreclosure will continue to increase in the foreseeable future, costing the government an average of \$9,974 for every house ultimately disposed of by FHA," Holifield said.

Subcommittee Chairman John S. Monagan, D-Conn., said the Government Accounting

Office (GAO) has been reviewing HUD acquisitions in Detroit, "because of the seriousness of the situation."

Before traveling to Detroit, the subcommittee will hear testimony in Washington Thursday from Baltas Birkle, assistant director of the GAO's Civil Division. Birkle will present the results of the GAO investigation.

Friday morning the subcommittee will move to Detroit to inspect foreclosed homes and neighborhoods affected by the increased rate of foreclosures.

Monagan is expected to preside over the hearings. Subcommittee members will be joined on the tour Friday by representatives of Mayor Gribbs' office and local and regional housing offices.

Monagan's subcommittee also expects to hear from William C. Whitbeck, Detroit area director for HUD. Mayor Gribbs has also been asked to testify.

[From the Detroit News, Dec. 1, 1971]

JURY PROBE OF FHA ABUSES SOUGHT

(By Don Ball)

Leveling "whitewash" charges at the prosecutor's office, a group of Wayne County commissioners today called for a special grand jury investigation into alleged irregularities in sales of Detroit homes under FHA mortgage programs for low-income families.

A Board of Commissioners subcommittee headed by Paul Silver petitioned State Atty. Gen. Frank J. Kelley for a grand jury probe into alleged inflated appraisals and other purported irregularities under the program.

The subcommittee charged that an earlier investigation by the county prosecutor's office had resulted in a "whitewash."

Countered Prosecutor William L. Cahalan: "It would serve no useful purpose to respond to the emotional outbursts of Commissioner Silver. But if Mr. Kelley wants to investigate, we will certainly cooperate with him."

Commenting on the alleged irregularities, Cahalan said, "What has happened was reprehensible, but not criminal."

Cahalan's report in September found no wrongdoing by appraisers, real estate brokers, investment companies or mortgage firms. It cited only a failure by the FHA to enforce its regulations.

"It was definitely a whitewash and was intended to be a whitewash before they opened the first file," Silver declared.

Alleged widespread abuses under the FHA programs have been reported for the last 10 months in The Detroit News. Hundreds of low-income Detroit families reportedly have been bilked in purchases of homes which were uninhabitable.

The subcommittee also questioned the good faith of the prosecutor's office in announcing this week that the investigation would be renewed.

"We received a letter just last week from Cahalan saying that the subject of our concern is a federal matter," Silver said.

The letter signed by Cahalan read:

"An FHA appraisal is essentially a report by an agent or employe of a federal agency to that federal agency. Any criminal misconduct by an appraiser in connection with the submission of a fraudulently inflated report would necessarily have to be deemed a federal offense."

Silver said:

"Only the county commission and The News seem concerned with the apparently widespread fraud involved in past sales of homes with FHA-insured mortgages.

"It's amazing that a reporter for The News could dig up such a wealth of information on the abuses and irregularities, which no one in an official position has ever denied, and then have the prosecutor's office be unable to find grounds for prosecution."

Silver said the petition to Kelley was based

on facts developed by his subcommittee and on information published in The News.

Cahalan said Kelley could recommend to the Wayne Circuit Court that a special grand jury investigation be ordered, or he could use the Wayne County citizens grand jury now sitting.

"Kelley then could conduct the presentation before the grand jury himself, ask me to do it or we could do it together," said Cahalan.

The commissioner's subcommittee said, however, the prosecutor's office had ignored an earlier recommendation for a citizens grand jury investigation.

In addition to Silver, the petition was signed by Commissioners William Suzore, Charmie Currie, Edward Jones and Rosemary Robinson, all members of the FHA subcommittee.

In their petition, the commissioners declared:

"Commencing in 1968, thousands of homes in Detroit and Wayne County were sold to persons of low income with the sales financed through FHA-insured mortgages.

"Your petitioners firmly believe based upon the widespread evidence available that extensive criminal acts of fraud, misrepresentation, conspiracy and collusion have occurred in determining the value of real estate for purposes of obtaining FHA-insured mortgages.

"In many instances FHA-insured mortgages were obtained based upon false certificates from mortgage firms that required repairs had in fact been made which certificates were relied upon by the purchasers and the FHA.

"A cursory investigation of complaints by many home purchasers indicates that actual misrepresentations of fact were made by the brokers or investment companies involved, as well as nondisclosure of defects and false promises of repairs prior to the consummation of real estate sales.

"An investigation of records in the Wayne County Tract Index indicate that questionable appraisals of FHA home purchases have been made whereby homes obtained by investment companies and other real estate speculators have been resold within a few months for profits at times exceeding 50 percent.

"We believe the individual purchaser and governmental agencies have been victimized and defrauded of millions of dollars."

To support their allegations of past irregularities, the commissioners cited the record number of foreclosures on FHA-insured mortgages in Detroit over the last 23 months.

As a result of the foreclosures, the U.S. Department of Housing and Urban Development (HUD) now owns 5,000 repossessed homes in Detroit.

A congressional committee will visit Detroit Friday and Saturday for a first-hand review of the foreclosure problem.

The committee will tour Detroit Friday morning and hold public hearings that afternoon and Saturday morning.

Silver said his committee has requested a chance to appear before the congressional committee.

"When HUD says it will tear down more than 700 of the repossessed homes as being unfit for rehabilitation and when families have moved out of additional hundreds of homes because they are uninhabitable, you have to question how FHA appraisers could place price tags of \$10,000 and up on these buildings," Silver said.

Said Cahalan: "The basic problem is that HUD has made available to inexperienced home buyers a method whereby they can purchase homes. Sharp dealers have taken advantage of this.

"We have had this problem under investigation and we still have it under investigation. But at this point we can't see that we have anything to go to a grand jury with."

Cahalan added that at no time has Silver "given us any evidence which even indicates he has any knowledge of the violation of any criminal law in this area."

The subcommittee included in its petition a number of case histories on homes purchased for a few thousand dollars each by investors and resold for \$10,000 or more although the buildings were in need of substantial repairs.

Criticism of the handling of the earlier investigation by the prosecutor's office also was included in the petition.

The subcommittee said that it first brought the matter to the prosecutor's attention last March.

"The Chief of the criminal fraud division of the prosecuting attorney's office after a cursory examination indicated to the committee that in his opinion there was no evidence of criminality or criminal fraud," the commissioners told Kelley.

"He said at best the allegations reported in the press and to the committee constituted one real estate appraiser and one real estate agent scratching the back of another.

"The prosecuting attorney assigned the investigation to the civil division and thereafter failed to provide staff to conduct the investigation.

"Ultimately in September, he advised the committee via a report that there was no evidence of wrongdoing.

"Based upon the lack of concern exhibited by the prosecuting attorney, your petitioners submit that no investigation at the local level can be maintained save one by the office of attorney general of the state."

Included with the petition was the recent report by the prosecutor's office.

Summarizing the investigation, the prosecutor's office stated:

"It appears that the appraisers used proper and acceptable guidelines commonly used by appraisers in arriving at the market value of the property involved in this case.

"The mortgage companies used by the brokers or investment companies were the same as used before in other sales with no pattern or scheme of an underhanded method being used by either of them."

The prosecutor's report, however, was based on a sample of 50 home sales in the 1965-70 period.

The FHA programs for low income families did not start until 1968 and since then more than 30,000 Detroit homes have been sold under their provisions.

In announcing this week that it was renewing its investigation, the prosecutor's office said the fraud division would conduct the probe which would concentrate on individual sales in the last three years.

[From the Detroit News, Dec. 2, 1971]

U.S. REPORT RAPS FHA ABUSE IN CITY

(By Don Ball)

WASHINGTON.—The General Accounting Office (GAO) charged today that the alarming rate of foreclosures on FHA-insured mortgages in Detroit threatens the success of mortgage insurance programs for low and moderate income families in the city.

At a hearing of the House subcommittee on legal and monetary affairs, the GAO reported:

"The home mortgage insurance programs of the U.S. Department of Housing and Urban Development (HUD) for low and moderate income families in Detroit have been described recently in the Detroit newspapers as a failure.

"This lack of success may be borne out by the increasing number of houses acquired through loan foreclosure by HUD's Detroit-area office.

"HUD's acquisition of homes because of foreclosed FHA-insured mortgages increased from an average of 96 homes a month

in 1966 to an average of 381 homes a month in 1971."

The contents of the GAO report paralleled the findings of an investigation by The Detroit News, the results of which have been published in a series of articles over the past 10 months.

The soaring foreclosure rate was revealed in The News last February.

A spokesman for the Michigan Mortgage Bankers Association said at that time, however, that there had been no unusual increase in foreclosures.

U.S. Rep. John S. Monagan, Connecticut Democrat, chairman of the legal and monetary affairs subcommittee, said of the GAO report:

"The alarming increase in the rate of foreclosures of FHA-insured properties in Detroit is viewed with concern by the subcommittee.

"To assist in our evaluation of the GAO's testimony, we will inspect repossessed Detroit homes during a tour tomorrow and conduct public hearings in the afternoon and on Saturday morning."

Baltas E. Birkle, assistant director of the GAO's civil division, presented the report to Monagan's subcommittee. Highlights of the report were:

HUD's Detroit-area office is expected to have an inventory of 6,200 repossessed homes by Dec. 31, with 84 percent of the properties located in Detroit.

"Only 810 repossessed homes were held by the HUD office on June 30, 1969, of which 20 percent were in the city of Detroit.

"Inner and middle city areas have been particularly hard hit by the soaring rate of foreclosures.

"The number of Detroit homes sold under FHA's sections 221d2 and 223e for low and moderate income families has increased sharply while the number sold under the FHA's conventional section 203d has declined 50 percent.

"The dramatic increase in repossessions followed enactment in 1968 of section 223e which permits mortgages on high risk properties.

"In one east side Detroit area, the FHA faces a potential \$12.9 million loss on 1,290 repossessed homes it owns there. The repossessed homes in the area make up nearly one-fourth of HUD's inventory for the entire city."

The GAO report singled out FHA appraisers for particular criticism, charging they had failed to classify as "high risk properties" many of the Detroit homes which later were repossessed.

"The failure on the part of the appraisers had served to hide from Congress the true cost of the high risk mortgage program," the GAO report said.

Birkle told the subcommittee that "to justify insuring a mortgage under section 223e, the location must so adversely affect the property as to preclude a finding of economic soundness.

"The responsibility to recommend insuring a mortgage under section 223e was placed on the FHA appraiser who was to determine that the specific property was ineligible under other HUD insurance programs due to unfavorable location.

"We found that although an estimated 16 percent of the homes insured in Detroit in 1968-69 were insured under Section 223e."

Many other HUD-insured homes located on the same blocks or streets were not classified as high risk properties.

It seems reasonable that if a number of houses located on a block or street were considered proper for insurance under Section 223e, then all houses on said block or street should have been insured under the same high risk section.

"By not properly identifying houses for the special risk insurance fund, HUD is not

disclosing to Congress the true cost of the Section 223e high risk mortgage program."

Meanwhile, a decision is expected next week on whether a grand jury investigation will be conducted into irregularities in sales of Detroit homes under FHA mortgage programs for low-income families, a spokesman for Atty. Gen. Frank J. Kelley said today.

A Wayne County Board of Commissioners subcommittee headed by Paul Silver has petitioned Kelley for the probe.

"We just received the request in our office yesterday," said Leon Cohan, deputy attorney general. "We want to review the matter first."

Cohan said he also wanted to talk to Silver and to Wayne County Prosecutor William L. Cahalan about the grant jury request.

Silver's subcommittee has charged that an earlier investigation into the FHA program by Cahalan was a "whitewash."

[From the Detroit Free Press, Dec. 2, 1971]
AS WE SEE IT—FHA POLICIES LEAVE CITY PREY TO FAST-BUCK ARTISTS

Selection of Detroit as the first city to be examined in the investigation of Federal Housing Authority financing of home purchases is more than coincidence. Detroit has one of the most reeking histories of FHA abuses of any major city in the United States.

A congressional subcommittee will investigate why the FHA insurance fund has been victimized for \$50 million because of a record number of foreclosures, and entire sections of the city have been ruined.

The subcommittee will not have much trouble finding out what went wrong. Thousands of Detroiters were lured by small down payments into committing themselves for housing they could not afford to keep up. With no equity in the properties, they abandoned them when the plumbing plugged and the furnaces died.

The generous FHA financing created a rich playground for quick-buck real estate operations. They purchased houses cheaply, obtained large FHA commitments and collected their guarantees from the FHA, meaning the taxpayers, when the deals went sour.

As of Sept. 30, a total of 5,297 properties went back to the government, mostly as a result of FHA foreclosures. The cost to the taxpayers is about \$10,000 per home, a big bill for a program that had the potential of upgrading home ownership in Detroit.

Efforts to correct the situation at the local level floundered when Wayne County Prosecutor William Cahalan ruled that the only fault was FHA failure to enforce its regulations.

The Wayne County Board of Commissioners is now attempting to get the Michigan attorney general's office into an investigation of many documented cases of collusion between mortgage companies and real estate agencies, and the hiring by the FHA appraisers who are employed by private real estate firms. The situation begs for more examination.

FHA was criticized for years for its preoccupation with providing housing in suburban developments. In truth, it was created during the Depression to facilitate housing starts when nobody could finance them by conventional means.

When the FHA finally did enter the business of insuring mortgages in the inner and middle city, however, it slopped over in the direction of excessive leniency. Many of the mortgage guarantees have been outrageously out of line with the real market value of the properties involved.

The damage to Detroit will be a long time in the correcting. House after house has been abandoned, vandalized and rendered uninhabitable. By the time the process has been completed, the homes are not worth the money needed to restore them.

Many Detroiters are managing to keep their over-priced properties. But the question remains whether the bad has not outweighed the good.

The FHA program still might be made to work in Detroit, but not as long as it permits the victimization of credulous and unprepared homeseekers. The visiting congressmen are in a position to prevent this kind of unprincipled preying on the cities.

[From the Detroit News, Dec. 3, 1971]
HOUSE PANEL TOLD OF SOARING FORECLOSURE RATE—\$200 MILLION CITY FHA LOSS FEARED
(By Don Ball)

The FHA faces a potential loss of \$200 million as a result of the increasing rate of foreclosures on FHA-insured mortgages in Detroit, according to the General Accounting Office (GAO).

Baltas A. Birkle, assistant director of the GAO's civil division, revealed the feared loss to the FHA in testimony yesterday in Washington before the subcommittee on legal and monetary affairs of the House Committee on Government Operations.

The subcommittee, headed by U.S. Rep. John S. Monagan, Connecticut Democrat, came to Detroit today to take a first-hand look at the problem and hold hearings on causes and proposed solutions.

Birkle told the subcommittee at yesterday's hearing:

"FHA-insured mortgages on 18,000 to 23,000 Detroit homes are now in default.

"It is expected that 75 percent of these mortgages will be foreclosed and the homes repossessed by the Department of Housing and Urban Development (HUD).

"Added to the cost of foreclosures in the city to date, which have resulted in an inventory of some 5,000 repossessed homes, the loss to the FHA could reach \$200 million."

Monagan, mayor of Waterbury, Conn., for six years beginning in 1943 and a U.S. representative since 1958, emphasized his subcommittee's concern for problems to cities and individual homeowners as well as the losses to the FHA because of the growing rate of foreclosures.

The GAO report indicated that the vast majority of the foreclosures are on mortgages insured under FHA programs for low and moderate income families.

Despite the foreclosure rate, however, 75-80 percent of the families buying homes in Detroit under the programs are meeting mortgage obligations, according to the GAO report.

"We're interested in the impact of the foreclosures in Detroit on these families," Monagan said.

"If the owners of houses are unable to meet their mortgage payments and must move, it is certainly detrimental to them and their families.

"Because their houses may then stand vacant for many months creating a breeding place for crime and fires, the residents of the neighborhood and the city as a whole suffer.

"Finally, the cost to the FHA insurance fund cannot be overlooked.

"Reports indicate that acquired properties in Detroit have been disposed of at a substantial loss to the FHA insurance fund and there are implications of losses in other cities.

"The volume of such losses which can be borne by the insurance fund remains to be determined."

GAO spokesmen said there is about \$1.7 billion in total FHA insurance fund reserves. But they said, the special risk fund, set up to pay off on foreclosures of high-risk mortgages, is running about \$27 million in the red.

The highest percentage of foreclosures in Detroit has been on high-risk mortgages.

[From the Detroit Free Press, Dec. 3, 1971]

U.S. HOME SEIZURES SOAR HERE—HOUSE PANEL VISITING TODAY

(By Saul Friedman)

WASHINGTON.—A House subcommittee headed for an on-the-spot investigation in Detroit Friday after hearing testimony Thursday that the number of foreclosures in government-subsidized housing for the poor may climb as high as 23,000 in Detroit next year.

If foreclosures run that high, General Accounting Office (GAO) officials told the government operations subcommittee on legal and monetary affairs, the loss to the government could amount to as much as \$200 million.

Foreclosures in the government homeownership programs, GAO Assistant Director Baltas E. Birkle said, are already higher in Detroit than in any other city in the country.

After an investigation of the various programs to provide mortgages on single-family homes for low-income persons, Birkle said that there were about 6,500 foreclosures between July 1, 1969, and Sept. 30, 1971.

This figure, he said, does not include mortgages which are in default for lack of payment and on the verge of foreclosure.

Using figures supplied by the Department of Housing and Urban Development (HUD), which administers the programs, Birkle estimated that the Detroit foreclosures could climb to 23,000 by the end of next year.

That would mean foreclosing on some 16,500 mortgages by the end of next December—three times as many as had been foreclosed in the two-year survey period.

The GAO survey in Detroit estimated that the government, which insures the mortgages, loses about \$9,974 on each house which is repossessed, Birkle said.

As a result of the GAO investigations, subcommittee chairman John S. Monagan, D-Conn., has scheduled visits Friday morning to some of the areas, including Detroit's east side, where foreclosures have been frequent.

After these visits, the subcommittee is to convene a hearing Friday afternoon in Detroit's Federal Building.

The scheduled witnesses include William C. Whitbeck, director of the HUD office in Detroit; William K. Cameron, director of property disposition for HUD, and Paul Kaup of HUD's Chicago regional office.

The subcommittee has also scheduled a Saturday session to take testimony from Mayor Gribbs; Michael Bixby, an attorney with Wayne County neighborhood Legal Services; William Rosenberg, director of the Michigan Housing Development Authority, and John E. Mogk, a Wayne State University law professor.

Monagan and his subcommittee want to find out why the foreclosure rate has been so high in Detroit, higher even than the high rates in other cities.

Birkle said the foreclosure rate in Detroit during the two-year survey period was as high as 16.7 percent in inner city areas.

"The acquisition of foreclosed . . . mortgage loans by HUD increased from an average of 96 a month in 1968 to an average of 381 a month in 1971," Birkle said.

Areas with the highest rates and numbers of defaults, Birkle said, included Detroit's lower east side; the west side area bounded by Woodward, W. Grand Blvd., Wyoming and W. Eight Mile, and the lower west side along Michigan Ave.

Subcommittee member Garry Brown, a Republican from the Kalamazoo area, suggested that increased unemployment and a gloomy economic picture might account for the climbing foreclosure rate.

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[From the Detroit News, Dec. 4, 1971]

FIFTY MILLION DOLLAR FHA LOSS FEARED—HUD HOMES APPALL PROBERS

(By Don Ball)

A congressional committee visiting Detroit says it is appalled at the number of neighborhoods in the city threatened with destruction because of vacant and vandalized homes owned by the U.S. Department of Housing and Urban Development (HUD).

HUD acquired the houses after foreclosures on FHA-insured mortgages under programs for low income families.

Committee members expressed fear similar destruction will occur in other big cities where foreclosure rates are rising.

The committee chose Detroit for its first look at the problem because HUD now owns some 5,000 homes in the city which could result in a \$50 million loss to the FHA insurance fund. HUD has been unable to resell the houses.

Of greater concern to the committee, however, is the possibility that some neighborhoods will become "ghost towns" because of the concentration of vacant HUD homes.

U.S. Rep. John S. Monagan, Connecticut Democrat and chairman of the subcommittee, and Rep. John Conyers Jr., Detroit Democrat and member of the parent House Committee on Government Operations, toured Detroit yesterday.

They were joined in the afternoon by U.S. Rep. Lucien N. Nedzi, Detroit Democrat, for a hearing on foreclosure problems in the city. The hearing continued today.

Much of the problem in Detroit has grown out of inflated appraisals by FHA appraisers before last January and sales of defective homes by real estate speculators to unsuspecting low-income families.

Yesterday's tour concentrated on east side streets which included dozens of vacant HUD homes.

Four of the vacant homes were selected for individual attention.

The first home, at 6162 Holcomb, has been repossessed by HUD twice for an ultimate loss of more than \$20,000.

Although HUD has a rule against selling repossessed homes in Detroit to speculators, the home on Holcomb after the first repossession was sold by HUD on Feb. 20, 1969, to a David Wein for a nominal sum.

Wein sold it for \$11,450 seven months later to a family which reported an income of \$1,085 a month on its mortgage application.

The family made three payments and defaulted on the mortgage. HUD repossessed the home on Feb. 19, 1971, and issued an order for its demolition last Aug. 9. A wrecking permit was taken out on the home Oct. 12 and the dwelling is now being torn down.

A home at 4455 St. Jean was bought by an investment company for \$6,750 on Aug. 21, 1968, and sold a month later for \$10,000. The family which bought it defaulted on the FHA-insured mortgage 13 months later.

HUD repossessed the home last Feb. 15 and scheduled the home for demolition last April. No wrecking permit has yet been obtained on the house.

Reps. Monagan and Conyers were particularly impressed by the problem the vacant home poses because of the plight of the next door resident, Mrs. Mary Hicks, 57, of 4461 St. Jean.

Mrs. Hicks has lived for four years in her home, which she is buying with an FHA-insured mortgage. It is freshly painted and the yard is neatly kept.

"I'm scared to death by that vacant place next door," she told the congressmen.

"It doesn't do much good to keep up my property if the rats keep coming over here from that empty house.

"It's been a hangout for hoodlums and a fire there could destroy my house too."

A home at 2230 Hillger provided the congressman with another example of speculator transactions.

An investment firm bought it for \$4,000 on Sept. 10, 1968, and then sold it for \$4,500 on April 24, 1969, to another investment firm.

The second investment firm sold it to a welfare mother three months later for \$12,600.

The buyer made three monthly payments and then defaulted. HUD repossessed the property last February and scheduled it for demolition. A wrecking contract has yet to be issued by HUD.

The homes were typical of those which were revealed in The Detroit News last January. A series of articles has been published since then about abuses in FHA mortgage programs and the problems they pose for the city.

Rep. Monagan said later:

"It's one thing to read statistics about foreclosures and repossessions and something else to see the houses and the neighborhoods.

"There are so many good homes threatened by the vacant houses, homes that are obviously well-maintained by families with pride in being homeowners, such as Mrs. Hicks.

"We hope to get information here about the causes and, more important, possible solutions."

Conyers said:

"I hope there is no thought of deciding that FHA mortgage programs for low and moderate families are economically not feasible because of what has happened in Detroit.

"If anything, we want the programs strengthened.

"The neighborhoods we toured today were predominantly black, and it was significant that a large number of well-kept homes were interspersed with the vacant, vandalized homes owned by HUD.

"I am interested in what can be done to remove the threat of those empty buildings to the surrounding neighborhoods."

Nedzi agreed and said:

"It appears that we need some new approaches to solving this terrible problem in the city, perhaps even to the extent of selling the homes rehabilitated by HUD for half their original cost.

"Losing 50 percent on the house is better than a 100 percent loss."

[From the New York Times, Dec. 4, 1971]

UNITED STATES MAY LOSE \$200 MILLION IN DETROIT MORTGAGE SCANDAL

(By Jerry M. Flint)

DETROIT.—A major scandal involving Federal mortgage programs in Detroit has left the Government the owner of thousands of decrepit homes and may cost up to \$200 million in Federal funds.

The Federal programs inadvertently contributed to the decay of troubled neighborhoods, the victimization of the poor who expected homes and the enrichment of real estate speculators.

The details of the scandal have been emerging for months in newspaper articles, in local investigations and, this week, in an investigation of the Legal and Monetary Affairs Subcommittee of the House Government Operations Committee, which held hearings here today.

Similar troubles exist in other cities, but Detroit is believed to be the worst example of the perversion of a program aimed to help the poor. The program, to allow the Federal Housing Administration to help poor people, including welfare mothers, to buy homes, began in 1968.

Some cases have been turned over to the United States Attorney here, but there have

been no prosecutions. Mr. Whitbeck noted that no collusion had been proved between F.H.A. appraisers who valued a home at two or three times what a speculator had paid for it only months before.

"Which doesn't mean it's not going on," said Representative John Conyers, Democrat of Michigan.

At its worst, the program in Detroit worked this way:

A real estate speculator would buy a shabby house in a rundown neighborhood for \$3,000 or \$4,000, spend perhaps \$1,500 in minor repairs—"cosmetic" repairs were called—then seek out buyer for the house, advertising for mothers under the Aid for Dependent Children program or seeking tenants who were being evicted for nonpayment of rent.

The F.H.A. appraisers—20 of them, who worked for fees, have since been dismissed—would appraise the house at \$12,000 or so and the F.H.A. would insure the mortgage for that figure. The speculator might even put up the \$200 needed for the new owner's down payment. Thus, in a few months he had doubled his investment.

But the new owner would then have a house that might have a ruined furnace or leaking roof or dangerous wiring, which called for costly repairs. The F.H.A. apparently paid little attention to the complaints at first. The owner would stop making payments since he didn't have enough money for them and the repairs, too, and eventually the house would be taken over by the F.H.A.

For a year or two it might stand vacant, be vandalized, burned, or used as a haven for narcotics users, which helped ruin the neighborhood. The house would be a wreck, but it would take years to get it torn down.

Such cases have been documented and today William C. Whitbeck, director of the Detroit area office for the Department of Housing and Urban Development, used such an example in testifying to the House subcommittee.

Mr. Whitbeck said, "Forty per cent of this city has been labeled (by H.U.D.) as speculator dominated."

On Nov. 22, the F.H.A. owned 5,852 homes in this area through foreclosure and repossession, with a potential loss of nearly \$60-million. Eighty per cent of these homes were within Detroit. On July 1, 1969, the agency owned only 810 of which 80 per cent were outside the city.

And on Oct. 31, a total of 21,022 properties "were in default and/or foreclosure," Mr. Whitbeck told the House Committee.

The Government's General Accounting Office, which also investigated, noted that the Government, which insures the mortgages, loses an average of \$9,974 on each repossessed house and said the F.H.A. insurance fund could lose \$200 million.

It also could mean that the F.H.A. would own 7 per cent or more of Detroit's single and duplex homes. In some decaying neighborhoods of this city H.U.D. already owns 5 to 10 per cent of the houses.

Representative John S. Monagan, Democrat of Connecticut, chairman of the investigating subcommittee, led the committee on a tour through some of the empty and foreclosed houses and called the default rate in Detroit "alarming."

Mr. Whitbeck said heavy unemployment might have accounted for some of the default problem. But he also linked the effort to help the poor to the defaults.

In two years 7,500 homes in which the buyer was a welfare recipient were insured by the F.H.A. and defaults ran 25 per cent.

"As a recipient of public assistance is on a strictly limited income," Mr. Whitbeck said, "unexpected expenses caused by illnesses, major maintenance items, or family interruptions lead, almost inevitably, to default."

Mr. Whitbeck took over the department office here in August, 1970. He acknowledged

that substandard homes had been insured and contributed to the heavy default rate.

"Not only are such homes the cause of major expenses, which the low-income purchaser is scarcely able to meet," he said, "they also are simply not adequate living quarters which, of course, leads directly to default by the disappointed and frustrated purchaser."

Other problems have resulted in F.H.A. foreclosure on large apartment houses undergoing rehabilitation under Federal programs, Mr. Whitbeck said. Inner city rehabilitation is reported to be at least 10 times as difficult as building new housing in the suburbs.

[From the Detroit (Mich.) Free Press, Dec. 4, 1971]

UNITED STATES EYES BLIGHT REDEVELOPMENT (By Julie Morris)

Some of the more than 5,000 boarded-up government-owned homes that now spot Detroit streets will be sold in blocks to developers rather than torn down as planned, a Detroit federal housing official said Friday.

In testimony before a Congressional subcommittee meeting in Detroit, William C. Whitbeck, said the government hopes to slow the rate of defaults on FHA home mortgages in Detroit and solve the problems of already abandoned homes partly by:

Tightening up control of appraisals of the homes and procedures in issuing approval of FHA mortgages.

Hanging onto some of the homes the federal government already owns until enough are grouped in one area to sell them all to a developer who will upgrade the entire neighborhood.

"That's the approach we're trying. I don't know if that's the answer to the problem," Whitbeck said. "I try to avoid, saying that one approach will solve everything because it won't."

Whitbeck, Michigan director of the U.S. Office of Housing and Urban Development (HUD), spent two hours and 20 minutes Friday before the House subcommittee on legal and monetary affairs, which is investigating possible mismanagement and abuses in FHA mortgage insurance practices.

Rep. John S. Monagan, D-Conn., subcommittee chairman, and Michigan Congressmen John Conyers, Democrat of Detroit and Garry Brown, a Kalamazoo Republican, opened the two-day hearing at the Federal Building.

Monagan and Conyers earlier spent three hours touring parts of Detroit with Whitbeck to see some of the HUD-owned homes first hand.

The rate of FHA foreclosures in Detroit is higher than in any other city. One government source estimates 23,000 Detroit homes may be government-owned by the end of next year—a loss of \$200 million to taxpayers.

The subcommittee made the trip to Detroit because of that high rate.

HUD holds title to the homes, dozens of which are on the same blocks, because homeowners bought them with FHA-insured mortgages, then didn't pay or stopped paying the mortgages, which were later foreclosed by the lenders who collected their lost funds from FHA.

The federal government loses an average of \$9,974 on every FHA home that is foreclosed on.

Whitbeck told the Congressman the reasons behind the soaring rate of foreclosures in Detroit include:

Abnormally high unemployment in Detroit compared to other cities.

Liberal approvals of FHA mortgage insurance applications.

A high number of FHA insured mortgages—7,500 in the last two years—issued to welfare recipients.

[From the New York Times, Dec. 5, 1971]

ARSON IS CHARGED IN DETROIT FRAUD

DETROIT, December 4.—Real estate speculators, cashing in on Federal programs aimed at providing homes for the poor, burned houses in Detroit to collect the insurance, the city's chief arson inspector charged today.

The Federal programs in Detroit have resulted in the abandonment of thousands of homes and could result in the Government's owning 5 to 10 per cent of the houses in this city. The cost to Federal agencies is put at \$200-million.

William Whitbeck, director of the Federal Department operation in Detroit, agreed that "in some instances" the agency's own programs did indeed lead to the deterioration of neighborhoods, as Marshall Robinson, arson chief of the Detroit Fire Department, had charged.

In a Congressional hearing today, Mr. Robinson said:

"One example, though extreme, typifies the activities of the real estate investor. Most recently, one dwelling in a state of neglect was purchased by the investor for \$1,500. Fractional improvements were made, a face-lifting, painting, etc. The property was subsequently appraised by the F.H.A. [Federal Housing Administration] for \$10,500. The property was then insured for the appraised valuation and burned. The cause of the fire was arson."

FRAUDULENT DEALS SUSPECTED

He said: "Fires of this nature reached a climax in August of this year. Totals are not complete for 1971; however, 10 investment companies are suspected of dealing fraudulently. One in particular had 11 such fires. Operations of this nature are extremely profitable to the investor but costly to the city in their deleterious effect on the neighborhood, and costly dollar-wise to the taxpayer in increased costs for insurance."

In charging that policies of the F.H.A. and Federal mortgage contractors help neighborhood deterioration he said, "As homes are repossessed from low-income families who could ill-afford them at inflated prices, the vandal and the pyromaniac move in."

The programs to aid the poor, including welfare mothers, to buy homes began after the riots of the late nineteen-sixties.

In Detroit, investigations have shown, real estate speculators bought homes for a few thousand dollars each in deteriorating neighborhoods and got the F.H.A. to appraise these houses at two and three times the purchase price. Then the speculators sought out the poor and sold them the houses at the inflated F.H.A. appraisal price.

Often these houses had defects such as bad furnaces or poor wiring or leaky roofs. But even the ordinary maintenance costs of the old houses might have been more than the poor could afford, so they abandoned the houses.

The Department of Housing and Urban Development owns 5,800 houses in the Detroit area and another 20,000 are in some process of default. The cost for a repossessed house has been running at about \$10,000—the amount needed to pay off the mortgage holder. There are also costs if the Government tries to repair the homes for resale or tears them down.

CHICKENS HOME TO ROOST

"The chickens have come home to roost," said Mr. Whitbeck, who took over the Detroit H.U.D. office after many of the abuses had occurred. He says the scandal was the result of efforts to turn the old F.H.A. house program, aimed at the middle class with safeguards built into the program, into a house-the-poor program without safeguards.

The Legal and Monetary Affairs Subcommittee of the House Government Operations Committee has been in Detroit yesterday and today holding hearings on the scandal. One committee staff member said that it was possible that the investigation would show that

losses throughout the country could rise to \$1-billion.

As the scandal began to develop here H.U.D. redlined some Detroit neighborhoods, meaning that they were barred from federally insured mortgage support. At today's hearings Mayor Roman Gribbs called this an overreaction and "one of the most potentially dangerous administrative orders ever to come out" of H.U.D., since it meant that H.U.D., "mandated to assist the cities in efforts to conserve and rebuild," was writing off "blocks, neighborhoods and even the core of the city." The order was later modified after the city's protests.

[From the Detroit (Mich.) News, Dec. 5, 1971]

DETROIT'S HUD LOSSES STIR FEAR IN OTHER CITIES
(By Don Ball)

Does the soaring rate of foreclosures on FHA-insured mortgages in Detroit point to similar problems in other large cities? Can the foreclosures eventually cost the FHA insurance fund losses of nearly a half-billion dollars?

More important, are other large cities also facing Detroit's problem of an accelerating deterioration of poorer neighborhoods as a result of the large number of homes left vacant by the foreclosures?

Concern over both questions was evident Saturday among members of the subcommittee on legal and monetary affairs of the Committee on Government Operations of the U.S. House of Representatives.

Members of the subcommittee had just ended a two-day study of the foreclosures in Detroit and the skyrocketing number of repossessed homes owned as a result by the U.S. Department of Housing and Urban Development (HUD).

Most of Detroit's repossessed homes are in the middle and inner city areas.

They are the tragic debris of efforts by low- and moderate-income families to become homeowners under special FHA mortgage insurance programs.

The efforts failed because the homes were unlivable, the financial burden was too great or the family's financial management inadequate.

While heartbreaking for the individual families who defaulted on the mortgages, the impact of the foreclosures on the FHA insurance fund and on the city are devastating.

Before coming to Detroit, the subcommittee received a report from the General Accounting Office (GAO) that HUD owned some 5,000 repossessed homes in Detroit which could result in a \$50 million loss by the FHA insurance fund.

The GAO reported that HUD could acquire another 16,000 to 18,000 Detroit homes in the next year, boosting the potential loss to \$200 million.

HUD officials concede that other large cities are experiencing a climbing rate of foreclosures. Problems are cropping up in Philadelphia, St. Louis, Chicago and a number of other cities.

The subcommittee on legal and monetary affairs is waiting now for reports from the GAO on other cities.

U.S. Rep. John S. Monagan, Connecticut Democrat and chairman of the subcommittee, said:

"We have realized for some time that the situation in Detroit has many ramifications.

"The problems of deterioration of neighborhoods caused by a glut of vacant HUD homes, the ultimate cost of returning these neighborhoods to viable condition and the plight of homeowners desperately trying to hold onto their homes in these neighborhoods cannot be overemphasized.

"We chose Detroit for our first visit because of the scope of the problem here and its implications for other cities."

A subcommittee staff member said bluntly:

"If what we found in Detroit is true even to a lesser degree elsewhere, the residential areas of a number of large cities are in serious trouble and the FHA insurance fund faces tremendous losses.

"The subcommittee must see the other cities firsthand to determine whether Detroit's problems are duplicated there, and we intend to make more visits.

Some members of the subcommittee and especially U.S. Reps. John Conyers Jr. and Lucien N. Nedzi, Detroit Democrats, appeared disturbed because HUD apparently has kept quiet about the critical proportions of the problem in Detroit and has not asked for congressional help.

The subcommittee and Detroit congressmen obtained much of their first information about the situation from a series of articles in The Detroit News over the last 10 months about abuses of FHA mortgage programs and the problems resulting for the city.

GIBBS URGES EXPANSION OF FHA MORTGAGES FOR POOR
(By Don Ball)

Detroit was the nation's first big city to protect homebuyers from real estate speculators selling houses under the FHA mortgage programs for low income families, Mayor Gribbs told a congressional committee on Saturday.

Gribbs said that now, with policing of the FHA programs in Detroit, they should be improved and broadened to expand home ownership opportunities for low and moderate income families.

The mayor testified before a subcommittee of the House Committee on Government Operations, which ended a two-day visit to Detroit on Saturday.

The subcommittee, headed by Rep. John S. Monagan, Connecticut Democrat, made a four-hour tour of Detroit neighborhoods and listened to nine hours of testimony from federal and local officials and community representatives.

The subcommittee is concerned about the soaring rates of foreclosures on FHA-insured mortgages, and the resulting thousands of vacant repossessed homes in Detroit owned by the U.S. Department of Housing and Urban Development (HUD).

Gribbs told the subcommittee a number of new approaches had to be taken to solve the problem and ensure that it would not occur again.

"Home ownership is so important to the stability and health of the older urban neighborhoods within the city, I believe the mortgage insurance programs for low and moderate income families must be maintained and broadened," he said.

"They should become the essential ingredients in what must be the major thrust of the next decade, the creation of a national program to strengthen older urban neighborhoods throughout the nation.

"In order to make these programs truly effective, I see the need for retaining and adding several key elements in conjunction with the regular mortgage insurance and interest subsidies.

"First, based on our experience in Detroit, independent housing inspections by the city at the time of sale must be continued to assure liveability and durability of homes and to keep the lid on speculator activity.

"Second, housing counseling services are essential, particularly for buyers without previous home ownership experience.

"Third, the effectiveness of HUD's special home ownership programs could be improved greatly by extending the concept of a 'reserve maintenance account' paid by the home buyer as part of his monthly mortgage payment."

This simple expedient would automatically provide the lower income home buyer with a reserve in case of home repair or maintenance emergencies.

"Consideration also should be given to creating a form of mortgage insurance which benefits the homeowner. This insurance would protect him in time of economic crisis and help him preserve his stake in home ownership.

"The city and HUD must join together to create a broader, more flexible and more adequately funded portfolio of development tools which can be used effectively to reverse the trend in problem neighborhoods.

"These tools should include the traditional programs for loans, grants and capital improvements.

"It would ensure that the resources necessary to capitalize on the strengths of a neighborhood will be used effectively."

Earlier, Rep. John Conyers, Detroit Democrat, had emphasized his concern over any thought on the part of HUD officials to cut back on FHA mortgage programs for low and moderate income families, as being unwise because of the problems in Detroit.

"There should be no attempt to discourage the insuring of mortgages on houses inside large cities," Conyers said.

"That is about the only place where homes can be bought by black families and poor white families and the problem is to help them buy sound homes in good neighborhoods."

William C. Whitbeck, director of the Detroit-area HUD offices, assured Conyers there was no consideration being given to cutbacks in the FHA programs.

Rep. Lucie Nedzi, Detroit Democrat, told Whitbeck:

"In order for us to help solve this terrible problem of repossessed homes in the city, you should give us a candid view based on your experience and opinion of what is needed."

Whitbeck replied HUD officials in Washington are responsible for telling Congress what is needed.

He had earlier outlined programs planned by HUD, including rehabilitation of entire areas where there are large numbers of HUD-owned homes.

Conyers and Nedzi were dissatisfied with Whitbeck's response to their questions when the session ended.

"I don't understand their great reluctance to ask Congress for help when a serious problem such as this threatens the city," Nedzi said.

SPREAD OF HOUSING SCANDAL TO OTHER BIG CITIES IS FEARED
(By Don Ball)

A national scandal over abuses and mismanagement of FHA mortgage programs for low- and moderate-income families may blossom out of a congressional committee's findings in Detroit.

The subcommittee on legal and monetary affairs of the House Committee on Government Operations spent two days in Detroit last week and now plans to hold further hearings in Washington and other cities.

"Unless Detroit was an isolated case of unbelievable neglect and mismanagement of the FHA programs, the same situation apparently exists in other large cities," a committee spokesman said.

"If the latter case is true, it would mean that many thousands of families have been victimized by real estate speculators on one hand and indifferent FHA employees on the other.

"It also could mean a loss of \$500 million or more to the FHA insurance fund and appalling devastation of inner- and middle-city neighborhoods in other cities because of thousands of homes left vacant after foreclosures on FHA-insured mortgages."

The past abuses and mismanagement of FHA programs were revealed first in a series of articles in The Detroit News over the last 11 months.

Among the findings of the congressional committee during its Detroit hearings Friday and Saturday were these:

Thousands of families purchased substandard low- and middle-income homes in the city under the impression they had been "FHA inspected and approved."

Some real estate speculators promoted such impressions with impunity and enriched themselves by preying on unsuspecting buyers. The committee found that none of the speculators have been prosecuted.

FHA employees answered complaints by saying it was the buyer, not the FHA, who should have made sure housing was up to par.

Foreclosures to date have saddled the U.S. Department of Housing and Urban Development (HUD) with 5,000 repossessed and still-vacant housing units.

Block after block of such vacant homes spawn dope and sex parties and are fire hazards to adjacent housing.

Because few people want the faulty homes on which the FHA foreclosed in Detroit the federal government is threatened with a \$200 million loss in its FHA insurance fund, the committee learned.

The committee was told that mismanagement of the FHA program in Detroit threatens to bring about foreclosures on another 16,000 to 18,000 shoddy homes.

At worse, this would mean that one out of every 12 Detroit homes would be vacant and owned by HUD, the governmental department which operates the FHA.

The series of articles in *The News* revealed all of these problems and contributed to the subcommittee's decision to come to Detroit for a first-hand look.

Unfortunately, the subcommittee by itself can take no steps to correct the problems.

Even its influential efforts in that direction will require considerable time and, ultimately, the recognition by Congress of the problem.

The subcommittee on legal and monetary affairs, headed by Rep. John S. Monagan, Connecticut Democrat, is charged with reviewing how various federal agencies are carrying out programs authorized and funded by Congress.

Its findings are available to all members and committees of Congress but can be most decisive in the House Appropriations Committee, which recommends financing for federal agencies, including HUD.

At the same time, at least one other subcommittee is concerned with the problem of housing and FHA mortgage programs.

The subcommittee on housing of the Committee on Banking and Currency late last year set up three panels to study the effectiveness of HUD programs.

One concern of the panels was the preservation of existing housing in cities under the HUD programs, one of the major goals of the FHA mortgage programs for low and moderate-income families.

Last June, one panel reported:

"The national housing goal should be expanded to express the need for more adequate preservation of the existing housing stock, including improved management and maintenance policies.

"The physical preservation of the housing stock and the fiscal soundness of the vast financial investment that it represents depend upon a number of interrelated activities.

"All of these elements must be the concerns of HUD."

Although Detroit apparently has been hardest hit by past abuses and mismanagement of the FHA mortgage programs dealing with purchases of existing homes, it also has been the first city where city and federal agencies have taken steps to preserve the existing housing stock.

Most important was the agreement by HUD and Mayor Gribbs early this year that all homes sold with FHA-insured mortgages had to be inspected and approved by city building inspectors.

Not only does this program give a limited guarantee to buyers that the homes are sound and standard, but it helps to upgrade the overall housing stock of the city.

Detroit is the only major city to undertake such a program, which could mean that substandard homes are still being sold in other cities under FHA mortgage programs.

The inspection program is most critical in Detroit simply because of the number of single homes here.

There are some 267,000 single houses and 20,000 duplexes and bungalows in Detroit, more than in any other major city in terms of the percentage of total housing units.

Detroit also leads other large cities in the percentage of home ownership with an estimated 80 percent of the single and duplex homes owned by the families living in them.

This makes the situation even more critical.

Very simply, more individual homeowners will be hurt in Detroit than in any other large city unless those problems are cleaned up.

HUD and city officials have moved aggressively, as outlined in their presentations last week to the congressional committee.

There has yet to be a recognition on the part of several private groups in the real estate industry as to their responsibility for mistakes of the past and obligation now to help correct the resulting problems.

STATES MUST BE INCLUDED IN AIRPORT DEVELOPMENT

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 9, 1971

Mr. PICKLE. Mr. Speaker, when Congress debated the Airport/Airways Act on 1970, both the House and Senate decided against allowing any planning money or grant money to be allocated directly to the State aviation bodies. I thought this was a mistake and offered amendments to give the States planning money, as did Senator GURNEY. Unfortunately, our amendments were defeated.

The State agencies, if they had been allowed funds, could have helped with the planning of small- and medium-size city airports and general aviation airports. With the present system of fund allocation, it appears that a majority of the trust fund money will go to the big city airports and the larger general aviation airports. With the present system of fund allocation, it appears that a majority of the trust fund money will go to the big city airports because they have sufficient financial resources to make the kind of initial planning that it takes to get a grant.

If the States received direct grants, they could use this money to help the small cities with the expense of initiating plans that would enable them to compete with the big cities for construction money.

In Texas last year there was \$22,870,615 grants-in-aid for airport construction. Of this money, \$16,500,000 went to one airport. The rest of the money was spread over 10 other airports in Texas. Only four of these 11 areas receiving Federal moneys could be classified as small city or rural area airports. I cer-

tainly see nothing wrong with building airports for the large cities because that is where the largest flow of traffic is, but there is certainly also a need for commuter and general aviation airports in our smaller cities and rural areas. General aviation is paying a large share of the money that goes into the trust fund. They ought to get a fair return on their investment. Many of the States are willing to take an active roll in building airports.

As an example, the Texas Legislature approved \$500,000 for 1971 to assist towns with less than 50,000 population to improve and develop 30 airports. In the past 5 years, of the 172 Texas airport projects, Federal funds were involved in only 42. I think it is great that the State government in Texas is willing to assume the responsibility for building airports, but all States are not doing this and besides the program could be more effective if there was hand-in-hand cooperation between the Federal Government and State government in building these airports.

Of the \$6,371,978 that was spent on facilities and equipment in Texas out of the trust fund all but \$1 million went for three airports. To me this policy looks like the rich are getting richer.

The National Association of State Aviation Officials is still hopeful that the Airport/Airway Act might be amended so that the States could work as partners with the Federal Government in airport planning and construction.

I am submitting for the RECORD a resolution recently passed by the National State Aviation Officials asking that they be given a more viable roll in our aviation system. I think we should give serious consideration to their request.

The resolution follows:

NATIONAL ASSOCIATION OF STATE AVIATION OFFICIALS 1971 ANNUAL MEETING
RESOLUTION NO. 2

Whereas, air transportation is at a crucial stage of development;

Whereas, if air transportation is to survive and achieve its potential as the major transportation mode of the future, it must be developed at regional, state and local levels as well as at the national level;

Whereas, the need for adequate and equitable financing of air transportation development is critical;

Whereas, the Airport and Airway Development Act of 1970 failed to create such a source of financing, and has preempted potential sources of state and local revenue for aviation development programs;

Whereas, the laudable purposes of Congress in enacting the Airport and Airway Development Act are being thwarted by the inability of state and local governments to provide matching funds;

Whereas, an increase in the federal matching share, though deserving of careful consideration, would not be a complete solution because the nation's air transportation needs cannot be met by a single national program;

Whereas, the unique character of aviation may require novel and imaginative forms of cooperative action by the states and between the state and federal governments;

Now, therefore, be it resolved, that Congress be requested to amend the Airport and Airway Development Act of 1970, either to allow the states to collect a portion of the taxes levied by that Act, or to return to the states a portion of the revenue collected thereunder by the federal government.