

tax withholding and old-age, survivors, and disability insurance purposes, and for other purposes; to the Committee on Ways and Means.

By Mr. ULLMAN (for himself, Mr. YATRON, Mr. LONG of Maryland, Mr. MCCOLLISTER, Mr. McEWEN, Mr. MONTGOMERY, Mr. MOSHER, Mr. O'BRIEN, Mr. OWENS, Mr. PRICE of TEXAS, Mr. RINALDO, Mr. SARASIN, Mr. CHARLES WILSON of TEXAS, Mr. WYDLER, Mr. WYMAN, and Mr. CASEY of Texas):

H.R. 14906. A bill to amend the provisions of the Social Security Act to consolidate the reporting of wages by employers for in-

come tax withholding and old-age, survivors, and disability insurance purposes, and for other purposes; to the Committee on Ways and Means.

By Mr. PEPPER:

H.J. Res. 1021. Joint resolution proposing an amendment to the Constitution of the United States relating to the power of the President to make treaties; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII,

481. The SPEAKER presented a memorial

of the Legislature of the State of California, relative to the proposed closure of Fort MacArthur; to the Committee on Armed Services.

PETITIONS, ETC.

Under clause 1 of rule XXII,

437. The SPEAKER presented a petition of Richard B. and Shirley A. Jarrett, Redding, Calif., relative to the Silver King Mine, which was referred; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

EAGLE SCOUT AWARD DINNER

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. GAYDOS. Mr. Speaker, the rank of Eagle Scout in the Boy Scouts of America is not easily attained. Those who accomplish this goal are justifiably proud of their achievement for they represent the best in an organization long dedicated to molding the character of America's future leaders.

It is, therefore, with great pleasure I acquaint my colleagues with 173 young adults from southwestern Pennsylvania who have attained the Eagle Scout rank during the past year. These young Americans belong to the East Valley Area Scout Council. Led by Mr. Howard N. Hubbard, president, the council represents more than 40 communities and 12,000 scouts.

The new Eagle Scouts, and their sponsors at a recent recognition dinner, are as follows:

EAGLE SCOUTS AND SPONSORS

David Amore (Robert Amore of Amore Construction Co.); Ted Baldwin (John Seelke of Westinghouse Electric Corp.); Jeffrey Balogh (Frank Diugonski of Westinghouse Electric Corp.); Scott Barbour (Charles Turner of Turner Dairies); Timothy Bertoty (Victor A. Bertoty of Mellon Bank & Trust Co.); Thomas Blandford (Robert Ashworth of U.S. Steel Corp.); Steve Bober (Thomas L. Nied Funeral Home); Michael Borza (Anthony Joseph, U.S. Steel Corp.); Michael Castagnaro (F. W. Keeley, retired, Bell Telephone Co.).

Patrick Castagnaro (James Malandra, retired); William Cenk, Jr. (Dr. Raymond Masters of Westinghouse Electric Corp.); William Combs (Dr. Lester Rosenbloom, dentist); Andrew Comtois (Col. Donald Mueller, University of Pittsburgh); Philip Craig (Dr. Gordon H. Stillson, Gulf Oil Corp.); Thomas Costeinick (George Bogler, Port Authority Transit); Mark Crooks (Fred Kingsbury, Westinghouse Electric Corp.); Eugene Csider (James Zafris, U.S. Steel Corp.); Mark Cubakov (Sylvester Miller); Timothy Dawes (Rev. John F. Doherty); John DeBardo (S/Sgt. Terry Curtin, U.S. Army).

Joseph DePaolo (Eugene Costel, Steel Valley Schools); Patrick Dolan (Thomas Feldman, WEDO Radio); William H. Donnelly (Ralph Whitney, Farmers Pride Inc.); James Dorney Jr. (Thomas Capp, Steel Valley Schools); Robert Dunkle (John Ziegler, Riv-

er School District); James Dvorsky (Joseph Balawajder, electrical draftsman); Thomas Dzurko (Merwin Weed, Penn State University); George Eckert (Lee Verca, Penn State University); Stephen Eckert (Russell C. Eadie, retired, U.S. Steel Corp.).

Harry Falls (Larry Janci, U.S. Steel Corp.); Robert Fescemeyer (Michael Fedor, U.S. Steel Corp.); Thomas H. Fetsick (Dale Liken, Liken Employment Service); William Ford (Dr. Paul N. Cooper, McKeesport Hospital); Christopher Fuhs (Dr. Viken Sassouni, dentist); Robert Furlong (Dr. Philip P. Rippepi, general surgeon); William Fustos (Robert Frazier, U.S. Steel Corp.); Ronald Gala (Walter F. Baczkowski, attorney); David Gartner (Richard Helmstadter, Halmstadter's Department Store); Kenneth Germ, Richard Obermyer (Penn State University); Daniel Gibas (Theodore R. Barker, laboratory technician).

Steven Glaze (Luke Haney, U.S. Steel Corp.); John Greenwade (Robert Johnson); David Gretz (James M. Fisher, Pittsburgh Institute of Aeronautics); John Hall (Merle D. Chilcott, U.S. Steel Corp.); Robert Harney (Robert C. Harney, Westinghouse Electric Corp.); John Hartley (Virgil Yoder, Magee Women's Hospital); Scott Heckman (Bernard England, U.S. Steel Corp.); David Hoffman (Dr. T. J. Ferguson, physician); Jack N. Huckestein (J. H. Brandon, Airways Cleaning & Fireproofing); Howard Irwin (Edward Romig, retired, Pittsburgh National Bank).

Paul N. Jacobs (William Seller, Allegheny County Agriculture Agent); Stephen James, (Police Chief George Brkovich, Elizabeth Twp.); Jeff Janci (Samuel R. Porter, Westinghouse Electric Corp.); John E. Johnston (Robert Johnson, Johnson's Dairy); Jeffrey W. Jobs (Dr. Herbert McGibbeny); Grego Jordan (Dr. Douglas Peacock, Westinghouse Electric Corp.); Roy Joseph (Lee Lacey, physical therapist); Jonathan Judkins (Thomas Jackson, Butler Golf Course); Pat Kerner (Theodore McConnell, architect).

Tommy Kinch (Clifford Skelton, mortician); Thomas Kingsbury (Joseph Sabol Jr.); William Kiser (Dr. Oliver Steen, McKeesport Hospital); Mark Kraitchman (Dr. Hendry); Douglas Kushner (Philip Delvenois, Westinghouse Airbrake Co.); Bernard Labuskes Jr. (George Keubler, U.S. Steel Corp.); Jeffrey M. Lazer (Dr. Jay Yarnell, Gateway Schools); Joseph Lia (Joseph Smith); Robert Lieberlum (Harry B. Hunter, Westinghouse Electric Corp.); Robert Linzer (Gene Graziano, Westinghouse Electric Corp.); Jeff Logan (Robert Logan); Troy Lucas (Steve Menzell, U.S. Steel Corp.).

Richard Mader (Allen McElhinny, computer engineer); Edward Matwij (Michael Hrkic, Devereaux Chevrolet); James J. Mayer (Sgt. Rick Williams, U.S. Air Force); Jeff J. Mayer (Bill Allen, U.S. Steel Corp.);

Kevin McGreevy (John P. McCune, Potter-McCune Co.); Gregg McMillan (Fred Calderellis, retired builder); Mark Milchak (Donald Milchak, Westinghouse Electric Corp.); Robert Monyok (Monsignor Joseph Altany); Daniel Nelson (David Nelson, Bacharach Inst. Co.); Glenn W. Nelson (William Wepper, Westinghouse Electric Corp.); Donald J. Nist (Donald Walukas, Westinghouse Electric Corp.); Thomas Novack (Donald G. Sweeney, East Valley Area Scout Council).

Paul Oakes (James Weldon, pharmacist); David O'Gurkis (Dr. Clifford Bryce, McKeesport Hospital); Joseph O'Gurkis (Mrs. Irene Rudd, McKeesport Hospital); Thomas Palchak (Joseph Lewis, U.S. Steel Corp.); Mark Palmer (Robert Disney, retired, Bell Telephone Co.); James Pepler (Jeff Madden, G. C. Murphy Co.); Brad Peterson (Thomas Womer, PPG Industries); Kevin W. Pingor (Kenneth Gleason, General Motors Corp.); Daniel Pinneri (Bob Roschenthaler, U.S. Steel Corp.); Joseph Pinneri (Steve De'Augustino (West Mifflin Area Schools); David Pocastko (Edward J. Kreh, Westinghouse Electric Corp.).

Chet Polesko (Max E. Bills, U.S. Steel Corp.); David Posipanka (Michael Hrizo, Allegheny County Parks Dept.); Thomas Poston (Lorie Poston, Port Authority Transit); Gene Richardson (William Hacker, retired, McKeesport Hospital); Thomas Riley (Charles Kabel, U.S. Navy); Robert Ritenour (Sgt. Nevin Kasparak, U.S. Army); David Ritter (David Ritter, Ritter Funeral Home).

Gary Robas (Lawrence Guidish, U.S. Steel Corp.); Richard C. Rouleau (William D. Rogers, Continental Sales & Engineers); John R. Rudd (Dr. Elmer W. Erickson, McKeesport Hospital); Mark Rylatt (Ron Porter, U.S. Navy); Mark Sambuco (Richard A. Mauro, Gateway Schools); Jack Sanford (R. M. Colteryahn Jr., Edgewood Schools); Michael Schmitt (Dr. Stephen Kondis, dentist); Leon Schlabech (James Richards, tax collector); George Seese (Howard Hubbard, retired, U.S. Steel Corp.); Keith Senkou (Ray Schuler); Stephen Sivy (Dr. Joseph J. Glorioso, surgeon).

Brad Smith (Cmdr. William J. Doyle, U.S. Navy Reserve); Matthew Smith, (Donald Cole, U.S. Steel Corp.); David Smudski (Dr. James Smudski, University of Pittsburgh); David Stein (William Hall, Westinghouse Electric Corp.); Deryl Steinert (W. T. Doorley, John F. Scott Co.); Richard A. Stevens (Dr. Raymond C. Forbes, McKeesport Hospital); Joseph Stock Jr. (Milan Spanovich, Engineering Mechanics Inc.); Lee Wagner (David Montgomery, U.S. Steel Corp.); Ronald Weiser (Robert Furlong); Jay Whitney (J. S. Kirby, Westinghouse Electric Corp.).

David Wingert (Charles Thomas, U.S. Steel Corp.); Kurt Wilkinson (Mayor Jack Patterson, White Oak Borough); Mark Worrell

(John H. Rudd, U.S. Steel Corp.); Richard Worrall (Alex Mathe, U.S. Steel Corp.); Kenneth E. Wunderly (Russell Naylor, Mesta Machine Co.); Richard W. Wunderley (William Carlson, Champion Tool & Die Co.); Robert Wunderley (Edward Tarle, Westinghouse Electric Co.); John M. Yuhasz (Robert Vaught, General Motor Corp.); Kenneth Yuhasz (Steven Simco, U.S. Steel Corp.); Albert J. Zsak (William Hansen, Steel Valley Technical School); Thomas Zsak (Albert Zsak, florist) and Michael Sambucco (William Lewis, retired).

Eagle Scouts unable to attend the recognition dinner included Gregory J. Behleda, James R. Bird, James R. Blanner, Michael E. Brake, Jefferey M. Brom, David M. Cerqua, Frank Conte Jr., John D. Ferchak III, Thomas H. Fetsick, Peter E. George, James P. Gibbons, Scott Griffith, Paul A. Hess, Keith J. Huey, Gerald Honce, Charles S. Johnson, Stephen T. Korinko, Robert Krauss, Donald Leone, David Leskanic, Eric P. Majetich.

Lee F. Magistri II, Lawrence H. Manganaro, David M. Miller, William D. Monroe Jr., William T. Mula, Thomas M. Murtha, Mark B. Null, Robert M. Null, Daniel F. O'Connell, Daniel E. Ottenheimer, Jeffery L. Pitchford, Michael L. Pitchford, Robert G. Steward, Leslie Unger, Michael Vasilisin, Jerald Weiglomas, Joseph D. Zegarelli and Kenneth Zoric.

## PUBLIC SCHOOL DESEGREGATION IN THE SEVENTIES

### HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. YOUNG of Georgia. Mr. Speaker, 20 years ago—on May 17, 1954—the Supreme Court announced its decision against racially segregated public schools.

Dr. Kenneth Clark, the distinguished scholar and executive director of the Metropolitan Applied Research Center, wrote a perceptive article entitled "Public School Desegregation in the Seventies," published in the summer 1972 issue of the Southern Regional Council's quarterly, *New South*.

I commend Dr. Clark's article to Members of Congress. He has contributed to a rational dialog on the problem of school desegregation—the kind of dialog we need to replace the emotional rhetoric we so often hear on this issue:

#### PUBLIC SCHOOL DESEGREGATION IN THE SEVENTIES

(By Kenneth Clark)

On May 17, 1954, when the United States Supreme Court handed down the historic *Brown* decision, there was reason to hope that on the basis of the finding that racially segregated schools were inherently unequal, at long last the American public school system would be reorganized from a bi-racial to a non-racial system and as a consequence the quality of education for minority group children would be substantially raised without detriment to the majority.

In May of 1955 the Supreme Court handed down the "deliberate speed" implementation decision which suggested ways in which the transition from segregated to non-segregated systems of public schools could proceed with minimum disruption. Unfortunately, those who were opposed to any desegregation of the American public school system interpreted the "deliberate speed" decision of the Court as an invitation to procrastination and evasion. Eighteen years

after the original *Brown* decision the process of the desegregation of American public schools is still not only incomplete, but is confronted with a new pattern of barriers—subtle and overt resistances—which could not only postpone, but reverse the process of public school desegregation in America.

For those who are concerned with the quality of education for all American children, it is now imperative to define and examine as objectively as possible the present problems related to the desegregation of the public schools and to seek and implement affirmative solutions to these problems. Given the present strange combination of enemies and subterfuges, the struggle for the desegregation of American public schools must now be intensified if the promises of the *Brown* decision are not to become another in a long list of cynically broken promises for racial justice in America.

The basic premises for the focus of this paper are:

1. The cases which led to the *Brown* decision of 1954 were argued on the grounds that Negro children in segregated schools were being denied equal educational opportunity because the segregated schools which they were required to attend were inferior.

2. It was also argued that the *Plessy vs. Ferguson* doctrine of "separate but equal" inevitably led to inferiority of educational and other segregated facilities provided for segregated minority groups.

3. The Court's finding that "separate educational facilities are inherently unequal" is as true today as it was when stated on May 17, 1954.

4. There is no evidence to support the contention that the inherent inferiority of segregated schools will be any less damaging to the segregated children when such segregation is demanded by the victims than when inflicted upon them by the majority group.

5. Segregated schools are insidiously damaging to members of the majority group even as they are flagrantly damaging to members of the minority.

Given the validity of the above argument and assumptions, one must examine the present forms of resistance to public school desegregation and review the related developments during the past 15 years in order to arrive at a present position and strategy for continuing and accelerating the struggle for desegregation of the public schools.

In the years immediately following the *Brown* decision, the issue of public school desegregation was seen primarily, if not exclusively, as a problem for the 17 states and the District of Columbia which had laws requiring or permitting the segregation of public schools. The struggle was seen primarily as a struggle against the *de jure* segregation of Southern and border states. The schemes for evasion and massive resistance to effective desegregation were devised and presented by Southern governmental officials and spokesmen. The problem of the *de facto* segregation of public schools in Northern urban communities did not surface as a significant aspect of the struggle for the desegregation of American public schools until the 1960's when the center of gravity of the civil rights movement shifted from the South to the North. Inferior education in the public schools in northern urban ghettos emerged as a pervasive factor and a significant grievance in the series of riots which characterized many of America's cities during this period.

As the pattern of racial unrest and the demands for remedies on the part of northern urban blacks increased, resistance to change intensified in northern communities. Resistance to the desegregation of *de facto* segregated schools in northern cities were similar, if not identical, to the re-

sistances to the desegregation of *de jure* segregated schools in the South. This was true in spite of the evidence that the psychological and academic damage to minority group children in northern *de facto* segregated schools was identical to the damage imposed upon these children in southern *de jure* segregated schools. The consistent finding in northern school systems that as the percentage of minority group children increases in a given school or school system the level of academic achievement decreases did not result in the implementation of programs to desegregate schools in Northern cities. The consistent relationship between the percentage of lower status minority group children and degree of academic retardation was permitted to continue without remedy in the South and in northern cities.

This fact of persistent academic retardation—low quality of education and low achievement on the part of Negro children attending *de jure* or *de facto* segregated schools—was glibly explained by a variety of educational, psychological and social science theories. In fact, northern American educators did not lack for support from social scientists who seemed all too eager apologists for the educational status quo. Explanations such as the inherent or genetic inferiority of Negro children re-surfaced. It has been stated with varying degrees of sincerity that these children were culturally deprived, came from poor homes; that their parents were not motivated educationally and therefore were unable to motivate their children for academic achievement, and therefore the schools cannot be expected to teach them to read. It has even been seriously suggested by white and black "friends" of deprived black children that schools should not attempt to raise their academic achievement—should not teach them to read and speak standard English—because this would frustrate them and result in self-hatred. Aside from the patent absurdity and the pseudopsychology of these arguments, their common denominator is that these children are uneducable and therefore the schools are not to blame for their low academic achievement. These explanations—those based upon genetic inferiority of Negro children and those which explain their low achievement in terms of cultural and environmental deprivation—also have in common the justification of the continued educational deprivation of these children and suggest that practically no technique, including the desegregation of schools, can be successful in raising their academic achievement.

It should be noted that these explanations did not become fashionable until after the *Brown* decision which required desegregation of the public schools. They seemed to have increased in the intensity of public discussion—both in the professional journals and in the mass media—when the problem of public school desegregation of the *de facto* segregated schools of northern communities became a basis of controversy and conflict.

The problem of the widespread and uncritical acceptance of these defeatist explanations of the continued educational inferiority inflicted upon these children tended to retard the already slow momentum toward desegregation of the public schools. The issue of public school desegregation has been further complicated by the fact that within the past five or more years the growth of black separatism emerged as a contributing factor in retarding the process of desegregation of the public schools. It is important to understand that black separatism emerged as a consequence of the slow pace of public school desegregation in the South and as a reaction to the subtle and insidious forms of evasion of desegregation of the *de facto* segregated schools in northern cities. Frustrations arising from the fact that those responsible for

policy and practice in the desegregation of schools were not serious in developing and implementing effective desegregation plans gave rise to demands for community control and decentralization of public schools in predominantly black areas of our cities. The lack of seriousness in the implementation of desegregation plans throughout the country contributed to the total pattern of black separatism and strengthened the appeal of black segregationists. In spite of this historical and psychological understanding of the basis of black separatism there remains the overriding fact that the quality of education provided for minority group children in predominantly black schools continues to be inferior and the psychological damage inflicted upon them is as great when these segregated schools are demanded by, or allegedly controlled by, blacks themselves.

The insidious and persistent resistance of northern whites to the desegregation of *de facto* segregated schools and the reinforcement of this position by black separatists have now strengthened the overt resistance of southern segregationists to effective desegregation of American public schools. This new and unexpected alliance—this strange spectacle of interracial bedfellows—has confused, temporarily bewildered, or exploited the ambivalence of those southern and northern whites who assumed the risks necessary to obtain and attempt to implement effective school desegregation programs. A presently undetermined number of blacks—still a minority, (no greater than 20% according to the latest surveys)—seem bewildered and uncertain about whether the goals of desegregated schools are still worth pursuing.

During this period of desegregation stagnation a number of educational programs, plans and gimmicks were developed and offered to blacks as substitutes for serious and effective public school desegregation. In spite of the *Brown* decision, southern and northern resistance to desegregation sought to make continued school desegregation palatable and acceptable under one or another contemporary form of the discredited "separate but equal" doctrine. Some advocates of these special "enrichment" programs tried to enhance the salability of their specious products by even suggesting that, by some miracle of racial status inversion, the separate could be superior.

Compensatory education and enrichment programs were designed to raise the academic achievement of Negro children in predominantly black schools. Some of these education plans appear to have some temporary positive effects. Over a period of time, however, the results from these programs mockingly betray the overriding fact of the inherent inequality in racially segregated schools. Whatever the combination of factors associated with the social reality of the perceived low status of segregated schools—low morale of teachers, inadequate supervision, inadequate teaching, low motivation on the part of parents and pupils, inadequate educational facilities—the fact remains that racially segregated schools are inferior schools. The inferiority of these schools continues to be expressed in the fact of low academic achievement and low self-esteem in the pupils who are required to attend these schools. The compensatory educational programs, the infusion of Title I funds and the increase in such funds do not and probably will not change this fact as long as American racism remains the dominant reality of American society and American education.

Resistance to the acceptance of this reality has spawned other attempts to circumvent serious programs for effective desegregation of the schools. In recent years performance contracts and voucher systems have been offered as panaceas and alternatives to effective school desegregation. The evidence so far

supports the conclusion that performance contracts do not result in sustained improvement in the academic achievement of segregated and educationally-neglected children. The performance contract approach to this problem is clearly an additional burden on taxpayers and diverts attention from the fundamental problem that inefficiency in the public schools is a responsibility of school officials and school personnel who are paid by the citizens to provide effective education for all children. The primary educational contract exists between taxpaying citizens and school personnel. Even if performance contracts were found to be more successful than they have been, there would still remain the serious question of how it is possible for an outside group to obtain positive educational results which school personnel could not itself obtain.

The voucher system has been proposed by many distinguished educators as a means for providing parents with an opportunity to choose among private and public schools those schools which they believe will provide their children with a higher quality of education. This approach as an alternative to serious desegregation of the schools also presents many serious questions. It is true that for the masses of middle and low income families the public schools have exercised an education monopoly which has been abused. These parents do not generally have a choice in protecting their children from educational inefficiency through alternative educational programs. It is a serious question, however, whether such choice can be provided to them through voucher systems without at the same time further weakening the public schools; accelerating the growth of private racially and economically segregated schools and academies supported at public expense; and, most important, retarding and regressing the rate of public school desegregation even more than at present. The indications are that there are no effective safeguards against the abuses of a voucher system and that such a system is likely to proliferate segregated schools. Those who are still seriously concerned with desegregating the public schools and raising the quality of education in these public schools should be cautious in any support of voucher systems; in fact, such systems should be opposed.

The combined problems of public school desegregation and equitable financing of local public school districts have emerged dramatically as a result of the decision in the *Serrano* case. In this case, the California State Supreme Court held that inequities in expenditures for public school education among various school districts in a given state were violative of the equal protection clause of the 14th amendment. While this judgment has not yet been confirmed by the United States Supreme Court there is every reason to believe that there will be a greater involvement of the states in the financing of public education at the local level. This increase in state involvement will have to be in the direction of equalization of school expenditures among the districts throughout the state. If this is true, then the states will have to take a more active part not only in the financing of education, but state education boards and commissioners will have to be concerned with educational standards and the actual achievement of pupils in the local school districts throughout the state. In fulfilling this basic evaluative responsibility, the states will have to develop effective instruments for measuring the educational efficiency of the public schools and, therefore, will have to deal more objectively with the critical problem of educational accountability. If one could assume that greater involvement in the financial and physical support of public education on the part of state educational bodies would directly or indirectly facilitate the process of public

school desegregation, this would be most desirable. Those of us who are concerned with facilitating general public school desegregation should therefore support enthusiastically this new development. There is still the question of whether the opponents of desegregation could so construe and implement the Court's decisions on state responsibility for the equalization of expenditures among school districts as to retard rather than to facilitate public school desegregation. All such attempts should be watched most vigilantly and resisted intensively.

Probably the most effective technique by which the *Serrano* type approach could be blocked as an effective approach for desegregation would be through the passage of anti-busing-for-desegregation statutes or constitutional amendments on the state and federal level. All of the proposals for prohibiting the transportation of students for purposes of desegregation are racially restrictive proposals. President Nixon's explanations for his assuming the leadership in obtaining anti-busing legislation must be rejected for the following reasons, among others:

1. They are racially restrictive in that they seek to prohibit transportation of students for purposes of desegregation while permitting transportation of these children for all other purposes.

2. They reflect the fact that the President of the United States is using the power of his office in a racial controversy on the side of those who have been consistently opposed to equality of educational opportunity for racially rejected minorities.

3. They represent the first attempts since Reconstruction to have the Legislative branch of the federal government enact legislation which would constrict or qualify the rights of minorities.

4. They represent an attempt on the part of the President of the United States not only to slow the pace of public school desegregation, but to return the civil rights movement to a point at or before the *Plessy* "separate-but-equal" stage.

5. The President's proposal would seek to restrain the federal courts as an independent protector of the rights of minorities against the oppression, passions and prejudices of the majority. In short, the President's proposal, intentional or not, could lead to a resegregation of those school systems that have already moved toward desegregation.

In seeking to turn back the clock of racial progress in America, President Nixon and his advisors must be aware of the fact that he is threatening the constitutional protections of all Americans—and that in doing so he is eroding the foundations of a constitutional government, substituting a government by the tyranny of whim and passion rather than a government of law. This is the very high price of racial prejudice and political expediency which he seeks to extract from all the American people—white as well as black.

In this regard it might be significant to note that in seeking to justify his position, the President stated that some black separatists were in favor of anti-busing legislation. The fundamental constitutional questions, however, are not answered by this diversion. Constitutional rights can no more be abrogated by the alleged desires of the victims of oppression than by those who would seek to oppress. In seeking to obtain control over all black schools and insisting upon racially segregated schools through their support of anti-busing-for-desegregation legislation, black separatists are not only pursuing an impossible mirage but they are also, cynically or naively, giving aid and comfort to those who would use the laws of the Federal government to constrict the rights of Negroes—and to erode the democratic rights of all American citizens. In this regard they are indistinguishable from racial reactionaries—and they are accessories to the crime of destroying the democratic safeguards inherent

in our constitutional government of checks and balances.

Inadvertently, President Nixon's gratuitous inconsistent, dangerous—if not morally irresponsible—partisan involvement in the anti-busing issue could have a positive effect. It is possible that this flagrant politically expedient position of the President of the United States could boomerang by alerting and reminding the masses of the American people about the more serious problems of public education which remain to be resolved. The meretricious may sometimes make the genuine more clear.

The transparent hypocrisy which now surrounds the anti-busing controversy could have beneficial consequences if it forces those of us who have been concerned with the quality of public education to restate our goals, re-examine our strategies and tactics, and to mobilize our resources and redouble our efforts to obtain for all American children that quality of education which might prevent them from making the near fatal blunders of their parents.

We must state without apology that the primary issue is that of a form of American education appropriate to the multidimensional complexities of a present and future world. America cannot afford an educational system geared to a world of the nineteenth and early twentieth century social realities. We must educate American children for a world in which the white President of the United States and his wife are required to visit the non-white heads of China. Education for the future must accept the fact of diversity among the peoples of the world, must accept the fact that the status relationship between whites and non-whites has abruptly changed and will continue to change; and must accept the fact that, if mankind is to survive, these changes must be accepted affirmatively and somehow made an integral part of the educational process. We must now re-double our efforts in the struggle for desegregated schools because we are concerned with obtaining this high quality of humanizing education for all children. We cannot permit them to be educated in ways which will perpetuate the ignorance, superstitions and injustices of the past. This type of education will be fatal for the future.

It is ironic, but probably inescapable, that the burden of insisting upon an education essential for future survival must be borne by America's rejected minorities—those who have been the more obvious victims of educational neglect—those who have been educationally and economically most exploited. But this is just another burden which American Negroes have been required to bear in the seemingly endless struggle for justice in America. Each victory obtained by American blacks strengthens the base and protections of democracy for all American citizens.

We can contribute to the strengthening of the base for democratic education in America by insisting upon the desegregation of American public schools. We must insist upon this because racially segregated schools cannot be equal in a racist society—and there is no need for racially segregated schools except in a racist society. We must also argue that racially segregated schools damage white children as much as they damage black children. Racially segregated schools contribute to the moral and ethical retardation of whites even as they contribute to academic retardation of blacks. America's white children who are the products of racially isolated schools are required to struggle with inner moral conflicts, guilt, a gnawing sense of alienation and personal incompleteness. These certainly must militate against a sense of personal fulfillment and are antithetical to that quality and substance of life essential for humanity.

We must insist that the education now being provided for children in predominantly black schools be now raised to a

tolerable level of academic efficiency. We must demand an improved quality of teaching and supervision in these schools—and we must insist upon reasonable standards and criteria of accountability which will guarantee that these children are not being short-changed by those who are being paid by taxpayers to teach them. The schools, school officials, supervisory and teaching personnel must be made more responsive to the needs and aspirations of pupils and parents.

We must see that parents who care about the education of their children become actively involved in assuring high quality of education in our schools. Parents cannot passively accept educational inefficiency. They cannot and must not accept the prevailing alibis among educators as to why their children cannot be taught to read or to do arithmetic or to speak and write correct English. These excuses are destructive of our children. They must be challenged and rejected by concerned parents.

It is hereby proposed that those of us who are concerned with this most serious business of improving the quality of education for black and white children—those of us who are concerned with the immediate and eventual desegregation of American public schools—give some thought to the development of parent organizations in every urban school district which would have the following primary objectives:

Protecting the educational rights of their children in the public schools;

Holding the school system accountable for their children's achievement;

Involving themselves in appropriate methods in the actual education of their children, within and outside of the schools and classrooms;

Monitoring and lobbying in local, state, and national legislatures for effective educational programs to benefit their children (rarely is there a group or agency representing the interests of parents and pupils when educational legislation is being discussed and passed by government officials);

And, above all, to protect the general educational interests of black children who have been neglected—consigned to the educational dungheap—by an insensitive society.

It is all too tragically clear that black children are considered and treated as if they are expendable. Those blacks and whites who would use them as pawns in a gruesome and self-defeating power game, do not yet understand that to sentence millions of children to the prison of segregated educational inferiority is to perpetuate that pattern of social pathology which threatens the stability of the whole society. No one is so privileged as to be immune from the dangers inherent in a hard core of the uneducated within the heart of our cities.

Even as we redouble our efforts to increase the quality of education for our children; as we seek greater accountability in our schools; as we seek more equitable financing for all local school districts, as we fight the diversionary educational gimmicks; as we reveal the political hypocrisy of the anti-busing-for-desegregation advocates; and as we seek more direct control over the operation of the schools attended by our children—we cannot permit our understandable enthusiasm to obtain these objectives to delude us into believing that we can obtain high quality education for our children within the framework of racially segregated schools. All positive educational programs worthy of intelligent support by blacks and concerned whites must be compatible with the actual process of desegregation—or must be a step toward eventual desegregation of the public school system.

The bait of "separate-but-equal" education is as spurious now as it has been since the post-Reconstruction era. Let me, therefore, conclude with the words of the United States Supreme Court:

"We conclude that in the field of public education the doctrine of 'separate but equal' has no place. Separate educational facilities are inherently unequal."

It is even more urgent now that this dictum be the standard by which we judge all educational proposals, policies and programs. Only from this perspective will we be able to protect the future of our children and be worthy of their respect.

## IMPEACHMENT PROCEEDINGS IN THE HOUSE OF REPRESENTATIVES

### HON. BROCK ADAMS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. ADAMS. Mr. Speaker, because of the tremendous public interest in the President's release of the tape transcripts, I was requested by the public affairs division of KING Radio/Television in Seattle to make a statement outlining my response. Since impeachment is a matter of the utmost importance to all of us, I want to submit my views, as of this time, to my colleagues.

From the beginning of the impeachment inquiry, I have taken the position that as a Member of the House, I would not prejudge the impeachment case and would make my decision based upon the available evidence—not upon any personal feelings I might have.

The impeachment proceeding is a public matter, however, and not a secret proceeding, such as that of a grand jury. This is made very clear by the debate leading to the drafting of the Constitution and by the Federalist Papers, especially numbers 65 and 51; so public debate and discussion is perfectly proper.

The sources of evidence will be found in the documents and tapes produced by the Judiciary Committee, by the public statements of the President, and by the facts developed in public discussion.

I was appalled by the President's public statements on television and the transcripts of those tapes which I have read. I was appalled not only by the general patterns of conduct shown, but also by his statements on the question of obstruction of justice through payment of money to E. Howard Hunt for his silence in court.

As a former U.S. attorney, I have had a great deal of experience in presenting the Government's case to grand juries. The standard to be used is whether there is probable cause to believe that an offense has occurred. Any issues of credibility—that is, who is telling the truth—are left to the trial jury, so if the grand jury believes there is sufficient evidence for a prima facie case and the key Government witnesses seem to be corroborated, indictments are issued.

President Nixon publicly admitted on television and in the transcripts that he, Dean, and later others, discussed the payment of hush money to E. Howard Hunt. There is no question that the conversations occurred and that, later on that evening, \$75,000 in cash was transferred from the group involved to E. Howard Hunt by placing the cash in the

mail box of Hunt's attorney. The only issue is one of interpretation and credibility of the witnesses. This can only be decided by the Senate sitting as a trial jury who, after hearing witnesses under oath and directly examining authenticated documents and tapes, believe one story or the other. Therefore, on this one count and in the absence of some startling new developments before the Judiciary Committee, I am prepared to vote to send this question to the Senate for trial.

With regard to other possible counts, I am considering the evidence as it is developed both by the House Judiciary Committee and other sources. I will listen very carefully to whatever explanation the President or his attorneys wish to make on the Hunt hush money and all other potential charges, and will do my best to be fair and judicious in my decisions.

This is an awesome constitutional responsibility, however, as an elected Member of the House, I am fully prepared to accept my responsibility. I have urged the chairman and members of the House Judiciary Committee to proceed as promptly as possible consistent with appropriate standards of fairness and justice, because the people expect and the Constitution requires that we immediately provide a fair, just, and prompt disposition of this matter.

THE LEGAL SERVICES  
CORPORATION

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. HAWKINS. Mr. Speaker, I am particularly pleased that after several difficult years we have come forth with a law that meets the concurrence of a strong majority of both bodies of the Congress. Moreover, I feel that this present conference report will enable the legal services program to continue on a more permanent basis and to enjoy a growing support in the Congress and in the Nation.

I trust that the Corporation that we have entrusted with the administration of this program will see this legislation as not only a mandate to continue a solid record of legal service to the poor but also as an opportunity to make a new record of imaginative service built upon firm principles of faithful and conscientious representation of the Nation's economically less fortunate citizens. I believe that creative use of the legal process to secure and to insure the rights of all of our citizens regardless of their income level is the essential keystone of this legislation. Whether the rights of the poor in the future venture strongly into consumer actions, juvenile rights cases, women's rights matters, antitrust and antimonopoly litigation, environmental proceedings or whatever other types of uses of the Nation's legal systems, I expect the Legal Services Corporation to be championing the affirmation and securing of those rights.

While many of the restrictions in this new law will not be to the liking of many of us, yet we must appreciate that those very restrictions should enable the program to insure its permanence on the American scene.

It is with these sentiments that I commend this legislation to my colleagues.

As the Members of this House know, much time has been devoted to consideration of this legislation. There were substantial differences between the House and Senate versions. I am pleased to report that the concerns expressed by this House have been substantially recognized by the conferees. I thought it might be useful if I, as a member of the conference committee, could elaborate on some of the compromises effected in the bill and described in the report of the managers.

It was generally our concern that the need for highly qualified and full representation of the needy be balanced by carefully drawn limitations on the possible abuses of power. If support for this program in Congress and in the public at large is to be preserved, it is essential that we take whatever steps are appropriate to assure that the program will not be in danger of losing that support. The restrictions contained in the legislation have therefore been drawn with a great deal of care and consideration. We do not expect the Legal Services Corporation to add restrictions; rather, we would like to see how the program operates in this new framework. The Corporation will, of course, make sure that ongoing work continues so that existing obligations are honored, and will continue to make use of existing resources and talents developed at great expense by OEO.

I turn now to some particular items. Members of this House were particularly concerned about potential abuses by legal services attorneys in connection with lobbying activities. The conference committee report contains statutory language which prohibits any such activity with respect to either administrative agencies or legislative bodies except where representation by an attorney for an eligible client is necessary to provision of legal advice and representation with respect to that client's legal rights and responsibilities, or a request has been made by an agency, a legislative body, a committee, or a member thereof.

The language on lobbying explicitly prohibits any solicitation of an individual or group client for the purpose of making such administrative or legislative representation appear to fit within the attorney's legitimate activities. The concern here is the possibility that a legal services attorney, on the basis of his or her own beliefs and concerns, would solicit a client in order to enable that attorney while being paid by the Corporation to seek to influence administrative or legislative activities. This, of course, does not prohibit attorneys from informing clients of their legal rights and from representing them thereafter. What is prohibited is the subterfuge of advocating legislative and administrative changes without a legitimate client.

Thus, for example, a local consumer cooperative or daycare center may have retained a legal services program to represent it on a number of matters, including incorporation, obtaining authority to operate, and seeking changes in regulations or statutes in order to enable it to offer its services to indigent persons more effectively. All of these are appropriate activities in behalf of a client in order to pursue the client's legitimate legal needs. What cannot be tolerated is an attorney who wishes to expand his or her inherent rights as a citizen by advocating for agency or legislative policy without a client who is affected by the legislative and administrative policies involved. Members of this House should note that the Senate receded to the House in extending these restrictions to administrative representation as well as legislative representation.

Of course, the groups that can be represented as I have described before are limited to those which consist predominantly of eligible clients and are concerned with the specific problems and needs of eligible clients. There is no intention to prohibit or limit the appropriate representation of groups which is provided now; rather, the concern is with the possibility of legal services attorneys attempting to organize groups, coalitions, confederations, organizations, and other entities, rather than to provide them with appropriate legal representation.

I turn now to some concerns we have had with litigation. In the first place, the Senate receded to the House with respect to the authorization to the Corporation to pay costs and attorneys' fees when a defendant in a suit brought by a recipient prevails and an award of such costs is made by the court. The conference report makes clear that the burden of any fees and costs awarded falls upon the Corporation, rather than the recipient, and that this is not authority for the award of costs and attorneys' fees where they would otherwise conflict with State or Federal law or court rule. The Corporation is directed to pay such costs and fees only upon a finding by the court that the action was commenced or pursued for the sole purpose of harassment of the defendant, or that there was a malicious abuse of legal process. This section does not, of course, limit in any way recipients from continuing to collect attorneys' fees and costs pursuant to court orders since no limitation is established in this bill with respect to the collection of fees and costs by plaintiffs.

The House provision with respect to recipient supervision of appeals has been retained, and the House accepted the Senate provision requiring careful recipient supervision of class actions, class action appeals, and amicus curiae class actions. This section is not an attempt to restrict legal services attorneys from providing the full range of services which an attorney provides to clients; rather, it is addressed to concerns of sound management so that recipients' activities are geared to an economical and efficient operation of the program. Moreover, the two provisions relating to appeals and to

class actions are intended to make sure that only recipients, and not the Corporation, determine whether such actions should be commenced and continued. These are all quite appropriately matters left entirely to the governing body of the local recipient. In addition, the prohibition against persistent incitement of litigation is designed to curb such persistent incitement when it violates the canons of ethics and the code of professional responsibility, not when lawsuits are legitimately brought in behalf of clients.

Also, in this regard, the conference report strikes a balance between the House provision on back-up centers, which would have restricted research, training, technical assistance, and clearinghouse functions to the national Corporation itself, and the Senate bill, which provided for the continuation of the existing independent programs without restriction. The conference report requires a study of the efficacy of the existing programs and the concept of inhouse service provided by the National Corporation to be submitted to Congress by June 30, 1975. The bill also provides that authority for new funding to such programs is to be automatically extended to January 1, 1977, if the Congress—during the period from July 1, 1975, to January 1, 1976—does not, by concurrent resolution, change the status and legislative authority for these centers to continue their present research, counsel, cocounsel and advisory functions.

It is thus the intention of conferees that the current work of the backup centers continue while the Corporation makes the study requested and reports back to Congress. Thus, the Congress will not be confronted with the elimination of valuable programs before it can determine how it wishes their work to continue. It is to be expected that the Corporation will make full use of previous studies, including the OEO funded evaluation of the backup centers, so that it may pursue this effort in a most economical and unobtrusive fashion.

It should be noted that not all functions of the national and regional programs funded entirely or partially under this section are the subject of study and possible further congressional action. Rather, the focus is on research activities, including direct participation in major litigation in a counsel or cocounsel capacity, which were so widely hailed by legal services attorneys last year during our consideration of the whole legal services program. The study will not encompass training, clearinghouse, and technical assistance activities, which are expected to continue.

During the course of this study and hereafter, of course, the back-up center employees will be subject to the same procedural protections as local legal services attorneys.

It seems to me that an additional comment needs to be made in regard to the provision of the conference report which requires that "preference" be given to "qualified" persons who reside in the community to be served. It is my understanding of this provision that "preference" does not mean that the very im-

portant qualifications such as experience, education, and racial and ethnic background similar to large numbers of the client population are to be overridden by this language. It particularly occurs to me, for example, that young black attorneys from poor families would be especially well qualified for work in the innercity ghettos or in rural southern communities with large black client groups. Likewise, it is clear that the young lawyer of Chicano background is particularly well qualified to serve in a legal services program that serves a large Chicano client population which has Spanish as the principal language. I make these remarks to be certain that the present language in the conference report is not interpreted by either the Corporation or by a recipient to negate the examples I gave above—as well as similar cases of outstanding and relevant qualifications.

In conclusion, I would praise the House and Senate managers for their efforts to achieve meaningful compromise on this bill. I am confident that this bill moves closer to equal justice for all in this country; I am proud to have been involved in bringing it toward final adoption.

#### JUSTICE GOLDBERG ON EXECUTIVE PRIVILEGE

### HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. HUNGATE. Mr. Speaker, Raoul Berger, the noted authority on constitutional questions and particularly on impeachment, has published another book on a topic of current interest, "Executive Privilege: A Constitutional Myth."

The following review by former Justice Arthur J. Goldberg should be instructive.

[From the Christian Science Monitor, May 15, 1974]

#### IMPARTIALITY IS A DREAM AND HONESTY A DUTY

(By Arthur J. Goldberg)

If there is a prize for timely legal writing, Professor Berger has earned it.

He has written two outstanding books of great relevance to Watergate: "Impeachment" and "Executive Privilege." The latter and most recent one is the subject of this review.

Salvemini once said, "We cannot be impartial. We can only be intellectually honest—that is, aware of our own passions, on our guard against them and prepared to warn our readers of the dangers into which our partial views may lead them. Impartiality is a dream and honesty a duty."

Professor Berger's book is an honest presentation: from the very beginning, the reader is warned of the author's strongly held and largely justified views against the unwarranted invocation of executive privilege.

On the basis of my own study of this doctrine, I am in substantial agreement with Professor Berger: the invocation of executive privilege by President Nixon to deny to Congress, the courts, and the public information pertaining to Watergate and related matters is not supported either by the Constitution or by the relevant precedents.

The Executive does require a modicum of secrecy in the conduct of its vital operations. It would not serve the public interest for each day's exchange of sensitive confidential messages with foreign governments to be broadcast on the six o'clock news, or for technical details of advance weapons systems to be published daily in the Congressional Record. As I had occasion to say during my tenure on the Supreme Court, "... while the Constitution protects against invasion of individual rights, it is not a suicide pact."

But, as Professor Berger persuasively argues, the claim of "uncontrolled discretion" by the Executive to determine what information should be made public is without constitutional foundation.

The Supreme Court has decided that information about certain matters is protected by executive privilege, from either judicial or congressional scrutiny. In *United States v. Reynolds*, the Court sustained the Executive's claim of authority to withhold information about highly sensitive military secrets from compulsory process.

But the Court explicitly relied on the fact that the privilege against revealing military secrets is recognized by the law of evidence; it declined to predicate the decision on the government's contention that executive department heads may withhold any documents from judicial review if they deem it in the public interest.

The existence of an executive privilege for certain military secrets in no way supports a similar privilege for all other information within the Executive's peculiar sphere of knowledge. The contrary view, posited by Administration spokesmen, is unsupportable.

Nor, as Professor Berger proves, can the Nixon Administration's view—that the propriety of the use of executive privilege is a question solely for the President—be legally sustained. Congressional inquiry is inappropriate only where such inquiry is unrelated to Congress' prescribed functions. This principle in no way impairs the proposition that Congress may make inquiry in furtherance of its constitutional duties.

Where information is needed in order for Congress to perform these duties, the request for information is legitimate, and the propriety of an executive refusal on privilege grounds is unfounded.

It is also clear that the claims of executive privilege are not immune from judicial inquiry.

The right to obtain compulsory process against the President is much mooted—the only applicable historical evidence being that the President may be justified in refusing to obey such process where compliance would prevent the performance of his duties. But the right to obtain process remains.

Moreover, judicial access to documents is contingent, not upon the character of the person holding the document, but upon the character of the document.

Where sensitive military secrets are involved, *United States v. Reynolds* indicates that the scope of judicial inquiry is to be exercised with great discretion. But judicial inquiry in principle cannot be precluded and certainly encompasses the Watergate material.

I am also in agreement with Professor Berger that under our constitutional framework there is no executive privilege in an impeachment proceeding.

It is the constitutional duty of the President to make full disclosure to Congress of all relevant facts, tapes, and other material. Article I, section two, of the Constitution provides that the House of Representatives "shall have the sole Power of Impeachment." The House is thus authorized to investigate the conduct of the President.

Considering the gravity of its task, the House's powers to obtain information are even greater than a grand jury's. In an impeachment proceeding, the House is indeed

the grand inquest of the Nation. For the President to assert executive privilege in refusing to turn over material relevant to the impeachment investigation would be tantamount to defying the constitutional scheme of impeachment.

The President has no executive privilege in matters pertaining to impeachment, and continued resistance to the House's inquiries would in itself constitute an impeachable offense. Of course, the House's inquiries must be relevant to the question of impeachment.

For good reason, the American public is uneasy about the prospect of impeaching a president.

Impeachment leads to the most drastic sanction our constitutional system provides. But, the impeachment process is already under way and we must not, if circumstances warrant it, abjure the use of the sanction the Framers provided.

Professor Berger, in this excellent book, "Executive Privilege," and in his prior book, "Impeachment," has made a major contribution in informing the American public and those conducting the impeachment inquiry about the issues which bear upon the question of impeachment. For this, we are all very much in his debt.

## CONTINUING REPRESSION REPELS MANY IN CHILE WHO BACKED COUP

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. TIERNAN. Mr. Speaker, since September of 1973, the people of Chile have been suffering under the repressive hand of the military junta which ousted the Marxist government of Salvador Allende and ended democracy in Chile. For 8 months Chileans have had to live with the near total suspension of individual rights and justice, evidenced at first by the summary execution of political opposition by the junta, and more recently by the detention and torture of those who dare to speak out against the inhumane activities of General Pinochet's government.

Mr. Speaker, I would like to offer to my colleagues and the people of the United States an account of the repressive situation in Chile today. It appeared in an article on May 13, 1974, in the Wall Street Journal, entitled "Second Thoughts: Continuing Repression Repels Many in Chile Who Backed Coup." It leaves no doubt in mind that man's injustice to man is myriad in a world that preaches the need for social justice. Are we satisfied with basing our world on empty words and inhumane actions?

The article follows:

SECOND THOUGHTS: CONTINUING REPRESSION REPELS MANY IN CHILE WHO BACKED COUP  
(By Everett G. Martin)

SANTIAGO, CHILE.—There is little doubt that most Chileans welcomed the armed forces' overthrow of the Marxist government of President Salvador Allende last September. But now, after more than half a year of stern rule by a four-man military junta—and with no end in sight—many aren't sure they like what's going on.

They are especially worried by the junta's continued use of repressive tactics to head off any threat, whether real or imagined, against law and order. Almost anyone can

be denounced anonymously and disappear without his relatives having any idea where he has been taken. There have been cases of torture. Estimates of the number of political prisoners being held without charges range as high as 6,000.

Besides the arrests, some 38,000 workers are reported to have been fired from their jobs in government and industry, on the ground that they were active supporters of Dr. Allende. A low-ranking labor leader, who opposed the Marxists, argues that the time has come to forgive these people.

"Those who were fired can't find jobs," he says. "They are being demolished. It was, after all, legitimate to support the former government, but now they are being persecuted and hunted for it. It isn't fair. They acted in good faith."

### A NUMBER OF PLUSES

Still, Chileans like many aspects of the regime. They welcome the public calm enforced by the strict military discipline after three years of escalating violence under the Marxists. They also welcome these developments:

Government services are functioning again; most factories are operating normally; severe shortages of basic necessities have ended; the black market has dried up; public-housing construction is going ahead again; schoolchildren are getting free breakfasts and lunches as part of a drive to improve nutrition for the poor.

Chileans don't like the inflation—prices went up 57% in the first quarter—but it is recognized that the inflation was inherited from Dr. Allende, and people don't expect the junta to end it overnight. At least it's being slowed down.

Opinions are mixed about the junta's having put all political parties, even those opposed to the Marxists, in indefinite limbo, a measure designed to end Chile's traditionally heated political wrangling over every issue. Wives of copper miners cheered army Gen. Augusto Pinochet, junta president, when he told them to "erase from your minds the idea of elections."

### THE MAIN CONCERN

But it is the repression that most disturbs Chileans at all levels. Where genuine Marxist extremists are concerned, the junta probably does have a security problem. During the Allende regime, a quantity of weapons was apparently smuggled into the country to arm leftist extremists. Almost weekly intelligence agents report uncovering another small cache of them. Moreover pro-Allende Chileans who fled the country after the coup are openly soliciting funds to finance a guerrilla campaign in Chile.

Recently a series of forest fires—started, according to the authorities, with gasoline—threatened the port city of Valparaiso. A small bomb was exploded on the docks there, and there have been numerous other suspicious fires in the city.

One youthful extremist, who is still in hiding, told a relative he secretly visited that his organization was planning political kidnappings like those committed by Argentine terrorists. Such talk may be futile blustering, but the junta does worry about national security. Any kind of terrorist outbreak would, for one thing, hurt the junta's efforts to attract foreign investors to spur Chile's economic growth. In a recent speech, Gen. Pinochet declared:

"If the submerged elements try to rise against our people, we will not hesitate to react with drastic means. Until we have caught them all, I will not lift the military measures."

### AN ARMY OF ZEALOTS

A bewildering array of six different intelligence groups is busy chasing down suspected terrorists with frightening zeal. There is an intelligence service in each of the three

branches of the armed forces, one in the police, a joint organization and, finally, a new superagency.

One man, a political commentator during the Allende years, was seized by army intelligence, was interrogated for days and then was sent home with written instructions to consider himself under house arrest and responsible to the army. Soon afterward, members of the air force broke in on him. Ignoring his army documents, they held him for several days trying to torture information out of him. When they released him, by then a broken man, he took asylum in a foreign embassy.

Most cases of brutality and torture seem to lead back to the air force, although no one knows if the perpetrators are acting as members of the new superagency. There have been cases of army commanders intervening to get detainees out of the hands of air force agents—an indication that the armed forces themselves may be divided over the use of such extreme methods.

The number of political prisoners being held without charges fluctuates, of course, as some are released and others picked up. A group of Santiago lawyers who protested the situation in a private letter to the junta were soundly denounced as being "unpatriotic," but such protests may have had an impact: Since then, a group of air-force officers charged with having been pro-Allende and anti-air-force before the coup have been represented by outspoken defense lawyers during their trial, and the trial was open to invited foreign observers; likewise, imprisoned former officials of the Allende government have been scheduled for early public trials, also with defense lawyers representing them and with invited foreign observers on hand.

Although most detainees are eventually released, one college professor expresses a widespread sentiment when he says, "We don't like this feeling of being unprotected against arrests. Lots of mistakes are being made."

While the rate of arrests has slowed down measurably since the first weeks after the coup, the junta has developed a new concern, that, to many Chileans, borders on paranoia. The military leaders now appear to be zeroing in on a new class of so-called enemies that seems to include anyone who is critical of them.

The rector of a university in Valparaiso was sacked recently for being "anti-junta." The head of the Catholic University television station and several members of his staff, all of whom were leaders in the fight against the Marxists, were also fired, and it is presumed that they, too, had "anti-junta" tendencies. Meanwhile, Gen. Pinochet has issued a dark warning that many civil servants are also going to go.

"These people pretend to be cooperating," he said, "but according to information that we have, in reality they are not cooperating. They always say yes to you, but when the moment comes to act they move slowly, they mislay documents, they change a word or a comma. They may comply with an order, but privately they talk against it."

It isn't entirely a coincidence that most of "these people" happen to be Christian Democrats. Relations between the military and the Christian Democrats have never been good. When the Christian Democrats were in power during the administration of President Eduardo Frei, just before the Allende government, they ignored the military men or treated them with disdain until one army unit staged a revolt in its barracks to demand higher pay. As one party member explains it, "The Christian Democrats regard the military as a bunch of fools, and the military regard the politicians as a bunch of crooks."

## THEY MEAN TO STAY

Except for its left wing, however, the party supported the coup as the only way to stop the Marxists. Observers point out, though, that many of the party leaders expected the military to turn the government over to them after a short caretaker period.

Now the military has made it clear that it intends to stay and make sweeping changes. "Some politicians," Gen. Pinochet said in a major speech last month, "initially took a favorable attitude toward the government, but they thought when the armed forces took action to liberate Chile that the conduct of the state would be returned to them in a short time. Today they react antagonistically because they realize that they were wrong, and I ask myself, 'Are they patriots or mercenaries?'"

The politicians, he implies, are responsible for demagoguery. "It is necessary to eliminate demagoguery, the principal sickness of Chile," he says. "From it has come the sectarianism which divides and the inefficiency which impedes progress and justice. This sickness is not only from the past three years. It is much older than that."

Gen. Pinochet's barely disguised attacks on the Christian Democrats go down well with many conservative Chileans who blame the liberal Frei government for opening the door for the Marxists with its land-reform program and other measures.

Christian Democrats, whose adherents make up a substantial portion of the middle class, rankle at having no voice in governmental affairs and at the pointed criticism they are taking. They retort with some sharp barbs of their own. "The junta should recognize," says one party member, "that the political parties fought the Marxists for three years while the military were the right hand of Allende. The were in opposition one day. They shouldn't look down on people who were fighting for three years."

One of the most outspoken critics of the Christian Democrats is the government's chief press spokesman, Alvaro Puga. To a request for an explanation of the junta's opinion of the party, he replies: "Before Allende the Christian Democrats paved the road for the Marxists because they began to talk—in the style of Henry Kissinger—of a dialogue with the Marxists. They talked of communitarianism instead of communism, but people without perception believed that they were both equal within democracy."

## "THE SILVER BRIDGE"

He adds, "During Allende, they were a moderating element between the Marxists who wanted dictatorship and the rightists who wanted to overthrow the Marxists. They were the silver bridge—beautiful but weak—between the Marxists and the democrats."

The 44-year-old Mr. Puga came to prominence during the Allende regime, delivering biting criticism of the Marxists over the radio and in a newspaper column written under the pen name "Alexis." No one can quite explain how he rose to such an influential position in the junta, but he is one of a group of puritanical young Roman Catholic ultraconservatives who seem to play a significant role in outlining the public philosophy of the junta. This group is known for its dislike of the Christian Democrats.

Mr. Puga's statements cause dismay in other branches of the government. A foreign-ministry official, for example, winced when he heard of Mr. Puga's reference to Mr. Kissinger. "How can he say such things?" the official said. "We are rather pleased with Mr. Kissinger."

Mr. Puga outlines a form of government for Chile where the only elections would be in neighborhood organizations and professional and labor groups. These grass-roots organizations would transmit their needs to the local mayor, who would tell the governor, who would get in touch with the junta.

There doesn't seem to be any room in the system for national political parties, and Mr. Puga says:

"We want to make a mechanism where it is not necessary to have political parties to have a position on a question."

It was Mr. Puga who ordered the Christian Democrats' radio network closed for six days because of broadcasts commenting unfavorably on the state of human rights in Chile. Soon thereafter, the archbishops of Chile issued a call for reconciliation. It said:

"For love of our fatherland, we must contribute to re-establishing a harmonious atmosphere in which all Chileans can live and be brothers. . . . The basic condition for living together peacefully is the establishment of a state of law in which the constitution and the law will be a guarantee for everyone."

## WILLIAM S. WHITE: 50 YEARS OF EXCELLENCE

## HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

MR. BROOKS. Mr. Speaker, during the years I have been a Member of Congress, I have maintained the highest respect for the journalism of William S. White. As one who studied journalism and who worked as a reporter, I am particularly aware of the uniform excellence of Mr. White's reporting and comments.

Bill White is frequently controversial, never reluctant to take an unpopular position he feels is justified, and ready to defend such positions with great ability. If you add to this his keen observation, penetrating insight, and a talent to express himself clearly and concisely, you have the complete journalist.

Recently he wrote a column on his 50 years of journalism. In reading the article, it was easy to detect the pride that he feels in his profession and his unswerving faith and dedication to the best that is in our country. He can be equally proud of his personal contributions to his profession and his country.

Bill White, with the able assistance of his lovely wife June, is an effective reporter and shaper of public opinion in Washington and throughout the United States.

I congratulate him on his 50 years of service to the public.

His thought-provoking column, "Looking Back on 50 Years of Journalism," follows:

[From the Washington Post, May 18, 1974]

LOOKING BACK ON 50 YEARS OF JOURNALISM

(By William S. White)

For nearly five decades (I started at age 18) I have been a professional journalist. For about 40 of those years I have been involved, as correspondent or commentator, in nearly every great story of this world. For the last 16 of those years a syndicated column has emerged three times each week from this typewriter.

This is the last of those columns. I am going back home to Texas, after an absence of 40 years, but not into any "golden retirement"; not into any "leisure village." I am going to recommence what has always been my second career—the writing of books.

This, then, is an hour of farewell and a time, necessarily, of nostalgia. To those

editors and readers who have endured me or encouraged me I send my thanks in this way; I have no means to do it in any more personal way.

Nostalgia, of course, means remembrance. And so now, if I may (I apologize for the excessive use of the perpendicular pronoun but what other form could I use?) I turn to some of my own memories. I remember covering the murder trials, large and small from little towns in Texas to courtrooms in Manhattan. I remember watching the agonies of a Tammany Hall which, as a beheaded British king once said in another connection, was unconscionably a long time adying.

I remember the onset of Hitlerism which, in the days of the so-called phony war, made me War Editor of the Associated Press. I remember leaving the AP after Pearl Harbor to enlist (all gung-ho) as a private in the infantry. I remember long months of hospitalization from meningitis—the only time in my adult life when I was truly cut off from the news—and at last being invalided from the Army.

I remember crossing the English Channel on the night before D-Day as a war correspondent; participating in the British assault upon Caen in Normandy; then participating in a vast and endless storm of violence with American forces across Belgium and into Germany at a little place called Roetgen.

I have known many of the world's statesmen. I saw Winston Churchill feeling no pain on a British beachhead in Normandy with a large brandy bottle sticking out of his coat pocket. I saw a President—Lyndon Johnson—weeping in the nighttime when the casualty figures came in from Vietnam. I have heard Golda Meir tell it like it really was—and is—in language they don't teach at any girl's school.

And I have known well scores of senators and congressmen, dozens of prime ministers and platoons of ambassadors. In a word, I have had a great and privileged life; and of these things I am unashamedly proud: A Pulitzer Prize in literature; the Presidential Medal of Freedom; the Medal of Officer, Order of the Crown (Belgian); a tour of duty as Regents Professor at the University of California, Berkeley; the writing of 48 consecutive essays for Harper's magazine, along with six books.

Finally, I leave Washington—which is now a good place to visit but I wouldn't want to live here anymore—with absolute faith in the basic decency, strength and durability of all our institutions.

## BACKROOM DEALS OVER CONGRESSIONAL REFORM?

## HON. DAVE MARTIN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

MR. MARTIN of Nebraska. Mr. Speaker, a committee of the Democratic caucus is now meeting to work over House Resolution 988; the Committee Reform Amendments of 1974. Presumably their major purpose is to emasculate the reform package—the product of 15 months of labor by a bipartisan committee—to make it more acceptable to a few powerful Members and special interests who think the plan inconveniences them.

How will the American public know what deals are being struck in this backroom process, and for that matter who is dealing with whom? And if all the special interests are placated, what about



the interests of the public—whose view of Congress at the moment is far from complacent?

Last Friday, the caucus committee sent a letter to all Democrats asking their opinion about House Resolution 988. All responses, it was assured, would be considered confidential. This in spite of the fact that the Select Committee on Committees, a duly constituted body of the House, published 1,765 pages of hearings and 680 pages of open markup sessions, received formal statements from 68 Members of Congress and several times solicited written reactions of all Members, receiving scores of such responses.

Mr. Speaker, if the congressional reform package is now to be subjected to a series of backroom deals, we ought to know about it. Will the caucus "Committee on Organization, Study, and Review" open its sessions to the public, take testimony in the open rather than in secret, and let us all assess the quality of their legislative craftsmanship? It is the very least they can do.

#### THE RURAL DEVELOPMENT ACT OF 1972

HON. JOHN M. ZWACH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. ZWACH. Mr. Speaker, the Subcommittee on Rural Development of the Senate Agriculture Committee has been holding hearings on the Rural Development Act of 1972—Public Law 92-419.

On May 8, a constituent of mine, Mr. Pat DuBois of Sauk Centre, Minn., presented testimony on behalf of the Independent Bankers Association of America.

Mr. DuBois, who is chairman of the Agriculture-Rural America Committee of IBAA, shares the concern and interest that I do for rural America. His testimony places strong emphasis upon rural development through utilization of the consolidated Farm and Rural Development Act.

With your permission, Mr. Speaker, I would like to insert Mr. DuBois' testimony in the RECORD. It is well worth the time to read it:

#### THE RURAL DEVELOPMENT ACT OF 1972

Mr. Chairman, Members of the Subcommittee, my name is Pat Dubois. I am President of the First State Bank of Sauk Centre, Minnesota, and Chairman of the Independent Bankers Association of America Agricultural-Rural America Committee. I am accompanied this afternoon by Mr. Glenn A. Swanson, Manager, Washington Office and Thomas C. Brickle, Legislative Counsel.

The Independent Bankers Association of America is a national organization with over 7,100 member community banks in 41 states. Two-thirds of our members are located in towns with a population of 5,000 or less. Ninety percent of our banks do business in communities of under 30,000. Consequently, our Association has had a tradition of interest in all matters involving rural America. That on-going concern is reflected, with respect to the Consolidated Farm and Rural Development Act of 1972, in the resolution adopted at our Dallas Convention this March and attached to my written statement as Appendix I.

In addition we call your attention to an

editorial that appeared in the April 28, 1974, St. Cloud (Minnesota) Times and ask that it be made a part of our statement. The editorial sets forth convincingly the vital need for effective implementation of the Rural Development Act. It further reflects the necessity for ample funding if the Act is to be effectively used to revitalize rural America. The full text is set forth in Appendix II.

At our convention we gave full support to the program for guaranteeing loans made and serviced by lending institutions under the 1972 law. We also, again, called for the establishment of a secondary market for paper generated under the plan so that rural lenders could lay-off loans into the major money market and recycle the funds for other rural development and community purposes. However, today, my purpose is not primarily to address the necessity of a secondary market. Rather it is to report on the experience of our membership to date and state some conclusions about what improvements we already can see as necessary.

To this end, we invited 717 banks, representing a cross section of our members to respond to a questionnaire. To date 151 did respond, and it is our preliminary opinion that further promotion and involvement with Rural Development Act programs by community banks, farm groups and Department of Agriculture employees is essential.

Generally, the questions concerned themselves with the number of customer inquiries, the number of loan applications processed, the number of loans guaranteed by the Farmers Home Administration, as well as the average processing time for loans in various categories. We also inquired as to the difficulties encountered in processing loans by member banks and the need for the program in rural areas.

The statistical summaries based upon responses received are attached as Appendix III. While we believe the tabulation is generally accurate, some caution should be exercised with respect to the answers to item 4 since it is evident that respondents may have misinterpreted the question. For example, we understand under current procedures the Labor Department is allowed 60 days to prepare its anti-piracy certification as a condition to approval of business and industrial loans, the subject of question 4D. Some misinterpretation could have resulted among those sampled because a number of banks indicated the loan process was completed with 1½ weeks.

Among the reliable statistics, however, we are alarmed to find that only two community facility loans and two industrial loans were processed in the 4-month period preceding the survey. Furthermore, there is evidence of limited FHA promotion and, in some cases, unnecessary delays on the part of field offices in processing applications. A number of banks stated review procedures were cumbersome.

Perhaps as interesting as the tabulations, however, were the narrative comments. The comments are attached in full as Appendix IV, but I would like to elaborate on some of those that seem representative of current impediments to full implementation of the Rural Development Program.

For example, in reply to that section of the questionnaire asking for general comments, one banker said: "Evidently people in this area do not know about the program."

Another remarked: "The program was only presented to us recently by FHA. We have had no experience."

With respect to question 5, relating to major roadblocks in FHA processing:

One banker stated: "We contacted our local FHA, and they were real cool and said they had not participated on any loans."

Another said: "Our local office is understaffed and overworked. There are approximately 140 rural housing loan applications not yet processed in our county, and the state and federal office will give no additional

assistance. As a result, there is no way that our county can keep abreast of other programs offered. . . ."

Finally another remarked: "Our county FHA did not know what forms to use."

With regard to question 8, on whether a secondary market was needed, one respondent said: "Assuming we participate, a secondary market would be essential."

Another stated: "Yes, if it (the program) got to any magnitude."

Notwithstanding these shortcomings, the quantified data and the narrative statements revealed a continuing desire for, and willingness to engage in, this sort of lending. Of the 101 banks responding to question 7, which simply asks if there is a need for guarantees such as those offerable under the Act, 71 replied affirmatively. Of the 109 answering question 8, concerning bankers' willingness to participate, 90 indicated they would.

I believe from all this material, it is evident that all those interested in making the Consolidated Farm and Rural Development Act achieve its purpose have much more to do. That, incidentally, includes the Independent Bankers Association of America, the FHA, agriculture groups and others who share an interest in revitalizing rural America.

We Independent Bankers think the program is basically sound and with extra efforts all around many benefits promised by the legislation can be brought to the rural community which daily is playing an evermore crucial role in the domestic and international affairs of our nation.

Although this statement concerns itself with the association's membership experience under the Rural Development Act, I would like to address myself to several actual loan situations with which officers of my bank were confronted.

#### PERSONAL EXPERIENCE OF PAT DUBOIS, PRESIDENT OF FIRST STATE BANK OF SAUK CENTRE, SAUK CENTRE, MINN.

The bank which I am President of has had a strong interest in the Rural Development Act and we have patiently waited for rules and procedure to development. Last week FHA county and district supervisors on our invitation, visited with us. Out of that discussion, the following is noted. First, on a small steel fabricating and manufacturing application in the amount of \$40,000.00, we were informed that while the request seemed to meet FHA requirements, an application would first have to be made to SBA. We were informed that FHA policy requires that any business loan of less than \$350,000 shall first be offered to SBA. Second, that an application for a farm ownership loan and farm operating loan which would provide improved 100 cow dairy barn facilities and equipment appears to meet FHA standards and the application looks eligible but there are no guarantee funds available and will not be until after July 1, 1974. Third, on a similar application for an 86 dairy barn and facility improvement loan, the same situation prevails. Other pending applications at our bank meet the same difficulties. The supervisors informed us of the \$100,000 limitation on farm ownership loans and they emphasized that industrial or business loans would require Department of Labor clearance before they could approve an application and they emphasized that Minnesota's 8% usury law is retarding bank interest to a great degree. Emphasis was made by FHA supervisors that loans guaranteed under the Rural Development Act competes with other FHA ownership and farm operating loan fund allocations and have a tendency to, thus, reduce old and established programs and they further stated that the requirement of charging against allocated funds 100% of the loan guarantee, even though the apparent risk or loss would be far less if any, quickly used up allocated funds.

We would be pleased to respond to your questions.

#### NUMBER INVOLVED IS DIFFERENT

(The following editorial appeared April 27, 1974, in the St. Cloud (Minnesota) Daily Times. It is the opinion of the editor, Gordon Duenow. The editor has described in a real sense what is happening in rural America. He states the case well and the relationship of the Rural Development Act as a vehicle for betterment is easily recognized.)

A temporary order has been gained staying the ruling by Judge Lord which resulted in the closing of the Reserve Mining Company plant at Silver Bay, thus delaying a situation which posed economic disaster for that section of our state. All this developed when charges were filed that the mining company was polluting Lake Superior and the air from plant waste. We still can't understand why the company was allowed to use Lake Superior as a dumping ground for its waste in the first place, but that is water over the dam now and nothing can be done about it.

Loss of jobs by some 3,000 workers is startling news anywhere and resulted in prompt action to help alleviate problems arising as much as possible.

However, this reminded us again that in many instances where small communities are threatened with disaster no one seems to care. There are no startling headlines, and the governor and legislators apparently aren't too concerned.

Several years ago we commented on the closing of a cafe in one of the smaller communities in this section of Minnesota. This was the only cafe in that town with the result that its closing was viewed as a disaster. But this was only a small instance and about the only mention the incident received was in our editorial.

Yet this is happening in small communities everywhere. Besides restaurants, small town stores are closing, creameries are going out of business and small farms are disappearing. All of these incidents represent disaster for many small towns and the people of the area. But most of us are inclined to close our eyes and maybe comment that "it is a trend of the times."

We can recall while pounding the campaign trail in western Minnesota in 1960 that it was depressing to walk down almost deserted streets of once prosperous small towns. Building after building was boarded up or deserted with only a few places occupied. Once imposing but now empty bank buildings on the corner testified to the economy of the community in years gone by and possibly also reminded older residents of the time when its closing wiped out the savings of many people in the area.

It may be a "trend of the times" but it is a tragedy to these communities. But multiply these small tragedies into the thousands and we all hold up our hands in horror. Yet what is tragic for thousands in areas such as Silver Bay is just as great a problem for the few people involved in our smaller communities. Both are striving to stay alive and the people are fighting for survival. Just the number involved is different.—G.E.D.

#### RURAL DEVELOPMENT ACT OF 1972

The Independent Bankers Association of America has long been dedicated to the development of rural America.

Congress has passed the Rural Development Act of 1972, providing loan programs for rural enterprises, youth, community facilities and rural industry. The Act further provides for guaranty loans made and serviced by lending institutions.

This Association supports the objectives of the Rural Development Act and urges its

member banks to participate as the Act is implemented.

The Association again recommends that the Act be further supported by a secondary market patterned after the successful FNMA. This would enable rural lenders to sell guaranteed loans to major money market investors, thus recovering loan funds that can be used for other rural development and community purposes.

#### SUMMARY STATEMENT

The IBAA has testified at every opportunity in support of the Consolidated Farm and Rural Development Act of 1972. We have expressed our concern regarding:

1. Delay in the implementation of the Act.
2. Lack of a suitable secondary market for FHA guaranteed loans.
3. Insufficient loan limits for farm ownership and operating loans.

Our Association has surveyed a representative cross section of its membership in an effort to determine the effectiveness of the program and the progress of the FHA in carrying out the objectives of the Rural Development Act.

#### IBAA POLICY

At our annual convention in Dallas, Texas, during March of this year, our convened bankers expressed a broad and continuing interest in rural development in passing the following resolution:

#### III. RURAL DEVELOPMENT ACT OF 1972

The Independent Bankers Association of America has long been dedicated to the development of rural America.

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The Association again recommends that the Act be further supported by a secondary market patterned after the successful FNMA. This would enable rural lenders to sell guaranteed loans to major money market investors, thus recovering loan funds that can be used for other rural development and community purposes.

#### YOU CAN'T STOP THE CARNIVAL

#### HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. DE LUGO. Mr. Speaker, I recently presented for my colleagues' attention a brief description of this year's carnival on St. Thomas, U.S. Virgin Islands. I would like to add to those comments the following editorial analysis from the Virgin Islands Post.

The 1974 carnival should eliminate the hesitation and fear of those individuals who accepted last year's scare headlines about the Virgin Islands. The success and beauty of this celebration should once and for all dispel those myths of uncontrolled and constant violent outbursts. Of course, the Virgin Islands experience social tensions, as anyplace else on this globe, but they are not allowed to become the obsession some people wish to make them.

As the editorialist says, "You just can't

stop the carnival." Let me take it one step further to state emphatically, "You just cannot stop the spirit of the Virgin Islands!"

I respectfully submit the following article:

[From the Virgin Islands Post, May 1, 1974]

#### STOP THE CARNIVAL

Judged by almost every standard, the 1974 Virgin Islands Carnival must be considered an outstanding success, and the officials who directed its many activities are deserving of the congratulations of all of us.

For one whole fun-filled week and for weeks before that as the community geared up for the spectacular funfest, thousands of people enjoyed themselves with hardly an incident and completely free of hostility, conflicts and violence which would explode in almost any other community with the racial and national mix these islands have.

Motion pictures of crowds, including hundreds of whites enjoying themselves among an overwhelming black majority would do more to restore the image of the Virgin Islands as the ideal tourist resort than a score of full-page advertisements in the United States metropolitan press. Tourists arriving here for the first time must have been amazed at the reception they received in contrast to the scare headlines which nearly caused them to go elsewhere for their vacations.

Last year in the wake of supposedly racial crimes and rumors of a blood-bath to come there was considerable fear and tension throughout Carnival week; but this year, although violent crimes have not abated, islanders and visitors dismissed the rumor-mongers and "came out to play."

The Calypso Tent was not as well-attended every night of the week as it used to be in former years. It has been suggested that perhaps the format should be changed to reduce the number of artists, introduce other events, along with the calypsos, or confine the shows to a maximum of three nights to assure maximum attendance and reduce the high costs of this event.

The Carnival Village with its offerings of non-stop refreshments and a place for islanders and visitors alike to meet, chat and enjoy themselves, remained as popular as ever. The children's village, however, needs improvement if we are to make it as popular with kiddies as the other village is for adults.

It is testimony to the talents and ingenuity of the leaders of the various troupes that although more than twenty carnivals have been held thus far they still produce spectacles which dazzle the imagination and produce genuine excitement and entertainment. The enthusiasm of participants as well as onlookers remains undiminished.

In recent years there have been proposals that we skip Carnival for a year or two, and perhaps stage the event every other year in the future. But that view is apparently held by only a small minority. The overwhelming majority want their Carnivals every year, and they are obviously willing to lend their enthusiastic support to the activity.

No other event involves as many people of the community with such little disagreement and friction. Carnival must be stamped as the territory's most popular undertaking and it seems to grow bigger and better each year.

Each year the event is presided over by a charming Queen and this year's Queen Earlene Phipps added to the glamour and attractiveness of the festival.

The 1974 Carnival is hardly over, but already thousands are looking forward eagerly to 1975.

You just can't Stop the Carnival!!

Believing that we speak for the entire community in expressing appreciation for a job well done we thank: Chairman Alfred Lock-

hart and his deputy Hans Eisler, treasurer Alphonse Stollard and Leslie Moorhead who assisted him, executive secretary Jackie Morgan, Iris Haynes and Helen Vessup of the children's events, Elvin Donovan for decorating, Louis Holder of entertainment, judging coordinators Ulla Muller and Gerry Hodge, Fair chairperson Rena Rhymer, Elroy George of parades, Harry Parrott of physical arrangements, Vincen Clendinen and Hans Eisler, Mary Gomez as Queen's coordinator, Village chairman Richard Callwood and Thyra Hodge Smith of Toddlers and the many persons who assisted them prior to and during Carnival 1974.

## URANIUM ENRICHMENT

### HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. HOSMER. Mr. Speaker, set forth below is an edited transcript of remarks on the subject of uranium enrichment for nuclear fuel which I presented on April 25 to the International Uranium Enrichment Seminar sponsored by the Atomic Industrial Forum at Reston, Va.

#### REMARKS BY REPRESENTATIVE CRAIG HOSMER

We have here in our midst the 277 people in all the world who know almost everything about enriching uranium. We also have three other people who know all about it. Those are three bankers. They should be on this platform. They should be making at least 50 percent of the prognostications today because they are the people who in the end will turn on money for new enrichment capacity or turn it off.

It is perhaps a revelation of the unsophistication of those interested in this subject that we do not yet recognize the power and position of the financial fraternity.

#### EARLY OVER CAPACITY

I look at this group with a great deal of nostalgia. One can get all filled up with it sometimes. But this is a mixed group. It's half nostalgia and half new guys, and I think for the benefit of the new guys, I ought to explain the reason we are all here.

It goes back to right after World War II when "cold war" threatened. The Berlin blockade frightened the West regarding Soviet intentions. A cold war did, indeed, descend. A vast bipolar conflict between the U.S. and the Soviet Union developed. Out of that came the idea of deterrence against strategic war. Atomic weapons were seen as the instruments of deterrence. In those early days we sized the enormous AEC enrichment complex on the basis of the estimated military need for atomic bombs to deter a Soviet surprise attack. The calculated number was quite large. The need for fully enriched uranium to make them was great. But even before we completed the huge plants to enrich the uranium for these A-bombs, about 1952 or so, they were obsolete by Edward Teller and a few others who invented the H-Bomb. Hydrogen was to become the principal ingredient of deterrence. The need for or alloy for atomic weapons was vastly reduced.

So the AEC had to figure how to run those plants at minimal capacity. And now, almost a quarter of a century later, we still haven't got those plants up to full capacity. The only reason demand for uranium in an enriched form increases at all is due to the fortuitous development of power reactors. We had the fuel, so we went out and developed a nuclear power industry to use it. It's on its own now and the momentum is there.

#### FUEL GAP EASES—CONTRACTING GAP REMAINS

Soon we will reach a cross-over date when demand for separate work will exceed that which the AEC can supply. There will have to be new capacity on the line. I have been talking about new capacity for a long time. There was a lot of haw-hawing yesterday when the AEC again announced a slippage in its estimate of the crossover time again, when we would have to have new capacity on the line.

Believe me, I am delighted that in the one year and five months from its last estimate, AEC has calculated a one-year and ten-month slippage in the time that this capacity has to be on the line. It gives us an opportunity, much more time—almost two years more time—to develop enrichment technology. We can put the next SWU factory on line with much more confidence and it will be that much better. It will incorporate Uncle Sam's technology, incidentally, my friends on this morning's panel, and it will be very highly competitive technology.

AEC wants to make sure that you don't get pinned down to a fixed date for this cross-over or fuel gap. They talk of it in space flight terms as a "window" in the range centered at July, 1984. But that is the time when new capacity has to be on line making actual nuclear fuel to go in real reactors.

Quite a different thing and quite a different date, a much earlier one, is that when the future output of AEC's existing three-plant enriching complex will be totally contracted for. That isn't slipping two years; that's only moving, at the most, six months. That date was approximately 1 January 1975—not very long from now—when the capacity would be all contracted out. At the most, that date has slipped a mere six months to July, 1975.

#### Why the difference in slipping times?

Simply because the contracting gap date is nine years closer in. Utilities order plants that take nine years to build. They sign up for the enriched fuel when they sign up for their plants. They are doing that now, and it's predictable now. So, there is not much change in the contracting gap date. The actual fuel gap date comes a lot later when, incidentally, the people making predictions today about it will be retired from government and won't be responsible any longer for what they told you. These differences in gap dates mean early decisions because often the earliest date is controlling for deciding what form the future structure of this industry should take.

#### PRESENT ENRICHING INDUSTRY STRUCTURE

But we can contemplate the future structure only if we find out more about today's structure. Now, today's structure and tomorrow's structure should be dictated by the customer, the utilities. But these fellows are way down on the list of influence. They aren't even going to get to talk during this seminar until after I do. Lo, the poor customer, these are the fellows that are relegated to almost nowhere. We have heard from the manufacturers and we have heard from the foreign competition, and heaven knows who else has been talking, but the poor customer is yet to come.

#### U.S. AEC ETC.

The customer may have a number of sources of enriched uranium supply in the future, but for now he has to buy principally from the U.S. AEC, which will soon be ERDA, the Energy Research and Development Agency. Believe me, when the enrichment activities of the AEC, which today have some benevolent oversight from AEC's five wise men, move over into the bottom of ERDA, they're going to be like Little Orphan Annie was after Daddy Warbucks was shot.

What's going to happen over there is that whoever it is that is running the government's enrichment business—this low-level bureaucrat—if he ever has an opportunity

to talk to the one wise man at the top of ERDA, he won't have much time to talk to him about the billion dollar business that's going on down below in his obscure shop. The fortunate thing that can happen to him is, if he never meets the boss of ERDA. And he has the guts to go and run the business like it ought to be run and to hell with the consequences. But bureaucracy being what it is, I doubt that this fortuitous circumstance will ever come about.

The way out of this dilemma is to set up an independent United States Enrichment Corporation (USEC) to run this business properly and speed the transition from government to private enterprise. I have drafted legislation for this purpose, and I will describe it later. (See summary of Draft USEC Bill issued earlier.)

And then, of course, we have this wonderful alternative future beyond ERDA or some place in the future that our great, good friend Clarence Larson pictures for us, private enterprise. You know, he got up on this platform yesterday and proudly proclaimed that the next increment of uranium enrichment capacity is going to be private enterprise! And not only that, says Clarence, the best kind of enterprise! Subsidized private enterprise!

#### EUROPE'S ENRICHERS

Well, AEC/ERDA/USEC/ETC is one of the players in this enriching game. We heard from one of the other players this morning on a delightful panel, this mixed government-industry group from Europe, Eurodif is one. It is giving an opportunity to the French government to guarantee every cent of money it is going to spend to put in a big diffusion SMU factory. I have never heard of any greater invention since the wheel, a guarantee like that. Then there is Urenco. It had it even better. Because Urenco is even more confused. It has two different corporations and three different governments mixed up in the deal. If anything goes wrong, nobody will ever find out who's responsible. Eurodif, on the other hand, has only one government and only one corporation, both standing right out there in plain sight. If something goes wrong at Eurodif, which has a chance of happening, like anything else, whoever is responsible will be easy to identify. A government might fall because of it.

The European players are a little unrealistic in their prices. Nobody is going to sell SWU's for \$49.00 or \$45.00 for long; those are the loss leader prices. The next contracts are going to have to be a lot different, and soon. Realistically, I think, and these are my own figures that I arrived at secretly, their prices are going to be 30 to 40 percent increased to be at all realistic. And that isn't escalation. That's just honesty, escalation is on top of that. Then they have these reopening clauses. That's the kind of clause that can cut a customer off at the feet starting right up here at the neck. These clauses are quite something.

#### OVERCAPACITY THREAT

Then, of course, there is the turbulence all enrichment producers are going to experience as Clarence Larson pointed out yesterday around 1983 from possible overcapacity. All of these fellows, Brinco, Eurodif, Urenco, and the rest of them, when you add up the capacity they tell you they are going to install, you see that there are going to be enough SWU's around by 1983 to support, mind you, to support 1200 reactors when there are only going to be 400 of them that need supporting. So you see, there is going to be a lot of falling out along the way. Who it is that falls out by the wayside is going to be a weird and wonderful and intriguing sight to see.

#### THE \$5 BILLION, 50 MILLION SWU RESERVE

I won't make predictions on that, but I will state that if Larson is right when he tells you that just from the projections by

the United States Government, and its business, whoever runs it, whether it's ERDA or the great and new and brilliant idea, USEC, or whatever, it's going to take around a 50 million SWU reserve worth \$5 billion, which will cost \$400 million a year in interest to support and work things out so there won't be any actual fuel gap for America's customers—whether domestic U.S. firms or the fortunate and wise overseas people who decide to contract with America.

The Europeans told us this morning—they had their chance this morning, you see—it's always good to be on after the competition—that they don't plan any reserve. They had a chance to come right out and tell you, "Well, fellows, we are going to build up a reserve, and we are going to help take up the worldwide burden and smooth out this demand, "but they didn't." All they told you was that they are going to bring those plants on the line as they are needed. Urenco is going to put its capacity in almost centrifuge by centrifuge if they can get a cascade that small. And Eurodif has all these contingency plans where—you saw the slide up there—they are going to slip capacity on line just at the last possible moment.

Well, that's good from their standpoint. But still somebody, and I say this jokingly—I'm really doing this not to deride these gentlemen because they are such vicious competitors—but I say it to indicate that there must be a consideration amongst all of the people who intend to get into this business of the large amount of reserve that must be created and maintained by a considerable expenditure and by a considerable amount of intelligent pre-production planning, and by all of those other things, that go into making it possible for the utilities of the free world to come on the line with the assurance that they are going to stay on line or even that they are going to get on line in the first place.

The U.S. contemplates this reserve because it has to have it to satisfy the utilities' prime need—assurance of supply. The sooner others intending to get into the SWU business acknowledge that they too have such a responsibility, the better it will be for them and all concerned.

#### JAPAN

The next player in the enrichment game is Japan. Japan intensely wants the assurance that it will have the fuel it needs because it is so dependent upon fuel imports. And Japan, by its own indigenous effort, intends to achieve the capability to produce some of its enriched uranium needs. These will be supplemented by foreign purchases.

#### LASER ISOTOPE SEPARATION—OBSELESCENCE THREAT

Now, what I want to introduce to your minds, and incidentally, I'm trying to sweep through a lot of things today because so far you have been getting things from one point of view, and not from a lot of points of view, is the thought that possibly an indigenous capacity for assurance of supply isn't really what a nation wants. Maybe a nation wants an assurance of supply, yes, but maybe there are other ways of getting it rather than having its own enrichment plant. For instance, if we get a break at all in prices. The laser isotope separation threat to obsolete all of the other systems may not be exactly on the horizon, but nobody knows how far away it is from being there. That threat is something everybody has to consider when they plan to spend billions of dollars of someone else's money to new capacity.

If somehow you get something like that which means a capability to enrich uranium at a far less cost than today, it becomes possible to think of assurance of supply in terms of prepurchase and storage to carry you through any conceivable period of interruption of supply. Now, what do you conceive of? Well, you don't conceive of a catalytic nuclear

war. There is no sense then in buying any insurance against something like that. All will be lost anyway. You don't even think of a long war of attrition, a rerun of World War II with iron bombs. You think of, as a possibility, something in the nature of an economic war, to wit, like the recent unpleasantness of the Arab embargo. You might not be in exactly a military situation, but you are in a nonsupply situation, and you pre-purchase your stockpile of enriched fuel to carry you through it. If you start to think about how long that might be, it doesn't really turn into a long period of time. Two or three years of pre-production stored on anybody's home soil would probably be enough to comfortably carry them through until the supply is restored. So this introduces a new element in the people's minds and, of course, the investment bankers up on Wall Street think of everything. Certainly, they will have this in mind, too, now that they have heard about it.

#### PEOPLE'S REPUBLIC OF CHINA

Well, who is the next player in the game? Here is a sleeper—the PRC—the People's Republic of China. Nobody knows for sure what's behind the bamboo wall. But, I will never forget the shock when the first PRC atomic weapon went off and it turned out to be an enriched uranium weapon instead of a plutonium weapon. Nobody thought they had the sophistication and resources to put in a diffusion plant to get the alloy. It takes a massive effort. Maybe they didn't even make it. They have some of the best physicists around. It's just possible that in their isolation they took in another direction. Maybe they went for laser isotope separation. Maybe, if they get around to it and they have a need for foreign exchange, maybe they will just move right in there with LIS and offer separate work for foreign exchange.

#### SOVIET UNION

That's what the USSR does, one of the other players in the game. It's purely a foreign exchange game with them. They are having an increasing trade with the West and they have plenty of diffusion capacity, thanks probably to the same failure to anticipate the H-bomb that gave us our overcapacity. They don't make any profit. So what do they do? They go after foreign exchange. They do 5 million SWU's worth of business every year and probably could offer more.

Incidentally, if you examine the USSR pricing system very closely, you will be amazed to see how capitalistic it is. Much more capitalistic than these European fellows' prices. If you look further, you will find that they don't require a down payment and they use the American price with a percentage reduction. If you work out the percentage reduction, you will find out that it just about amounts to the interest on the down payment that we charge. So, you see that if the Russians are going to pattern themselves after anybody, they are going to pattern themselves off the oldest established firm in the SWU business, the USA. That assures them that their prices are set with as great an experience as anybody's around.

#### SOUTH AFRICA

Alright, now let's get to the next source: South Africa. South Africa represents one of the erratic elements in the world SWU picture. It announced that it was going to have this plant. It wouldn't say when or where or how big it was going to be or what technology would be used or anything else. I made a trip there, not to find out South Africa's secrets, but to say: "Look, gentlemen, I don't give a hoot how you are going to separate this stuff, but we think, or I think, that you ought to tell the people what share of the world market you are going after. After all, we would like to try to match supply and demand with some reasonable closeness. We should do so. It's economic. So, why don't you tell us."

Well, the chap looked at me and said, "We didn't think you were interested." And so, they then came out with their figures, which were modest. Domestic reactors won't require all the SWU's from an economically sized separation plant. They just want to peddle their excess overseas. And, as a bonus, they told me that their system is based on UF<sub>6</sub>; but that's all I got out of South Africa.

#### AUSTRALIA

Incidentally, I should mention Australia. I had a delightful conversation with its Minister of Minerals and Energy. I took the opportunity to brashly tell him that if I were Australian, I wouldn't want to get into the enrichment business just to high-grade my raw product and try to make a little more money selling it in an enriched form. South Africa even abandoned that idea as risky and unworkable. I told the Minister I'd buy a ten-foot pole not to touch the enriching business with, and I reminded him that America took a \$2½ million bath getting into it in the 1950's. I doubt, however, if the Minister was paying attention to what I said.

#### THE HYDRO STATES

Okay. Let's get into the hydro states. Canada, Zaire, and New Guinea, where Bechtel says that it is investigating hydro sites to support a large diffusion plant. Early in the seminar we were entertained by statistics showing the relative share of the cost of nuclear kilowatts attributable to the cost of power for enriching uranium. The SWU cost turns out to be only around 5 percent of the total cost of a nuclear kilowatt. So, this business of rushing off to the large rivers and deep valleys to locate even a diffusion plant in order to produce with cheap power doesn't make much competitive sense. But from another standpoint, it does. It makes good sense because at least the technology of diffusion is known. And it's good. Because of that you have an assurance of supply and predictable economics from any diffusion plant embodying U.S. technology. And that, after all, is what the nuclear utilities are most worried about.

#### COMMERCIAL PRIORITIES

You know, in economic transactions agreements usually are controlled by price, terms, and assurance of supply in that order. Mostly, you don't even have any worries about assurance of supply. But in this SWU business, the assurance of supply first, then terms, and then price is number three. It's an interesting situation, and it will be an interesting situation until such time as we actually get an established and mature structure for the enriching business and there no longer exist these vast economic and technological unknowns concerning it.

#### A VERY UNIQUE BUSINESS

Alright, those are the players. What about the enriching game itself in which many of you are preparing to buy chips to play.

What's normal about it? Well, what's normal about it is that like every other game today, it's affected by the energy shortage. Almost everything else is abnormal; the size of the investment, the technological and economic unknowns, the large intrusion of government in this game.

The usual game is to fill a need and to make a buck, but here we have all of these governmental considerations, emotional considerations, security and proliferation considerations, and who knows what else, interfering in, playing a role in this game. It is a game which, at best, has lead times that are practically unheard of in more normal endeavors—nine years to put in a plant to burn the fuel, six to eight years to put in a plant to make the fuel, contracting times that coincide with the building time, and so forth.

And it's a scary kind of a business from another aspect; the massive amount of money required for an investment about

which so little mechanical or business facts are known. It is a business that is equivalent, in terms of when you get your return back, to a utility where it is a long time until it pays off. Yet, in its marketing aspects, as you have heard from the things that have been told to you thus far in this meeting, it's like the atmosphere of Macy's basement on sale day. Also, as I hinted before, there are a lot of emotional aspects in it. The old-timers still get starry-eyed about the good old "Atoms-for-Peace" days, when we were doing all this for mankind because we were ashamed for making a bomb. But now the new-timers don't bother about that. They are concerned about its commercial aspects. A dichotomy in philosophy will linger about the business until all the old-timers are gone.

#### CO-OP'S PREDICTED FOR FUTURE STRUCTURE

There are quite a number of interested parties in the business whose interests are in conflict. There are the poor consumers. There are the people who want to sell parts and pieces to people who put up the plants. There are the people who will put up the plants. There are the bankers and heaven knows who else who will be in this business.

I suspect that eventually the structure of the business will boil itself down to a bunch of mini-Sporn plan cooperatives. You will remember Phillip Sporn, a venerable utility industry oracle, who holds that you just cannot enterprise the enriching business. You will need to establish a big cooperative amongst the utilities to assure that the nuclear fuel will be on hand when needed because financing the effort from the money market will not be possible. My simple variation on the Sporn plan is, instead of one single co-op, to have many, created amongst compatible utilities, as their needs dictate. Once we get rid of many of the technological and economic unknowns of the business, I expect to see utility co-ops as the dominant form of the enriching business.

#### U.S. ENRICHMENT CORPORATION—THE TRANSITION LINK

But to get from here to there, I see a United States Enrichment Corporation as the essential transition link. The players in the game I've mentioned so far are people looking out for their own interests. They have their eyes on a corporate ledger. But what about the national interest? If they raise their eyes from that ledger they will see that from Uncle Sam's standpoint there's great national benefit from doing a large share of the worldwide enrichment business. During a half-century it could mean foreign exchange earnings exceeding \$100 billion net. Without a U.S. entity like USEC in being to avoid a fuel contracting gap, a lot of it will be lost to foreign suppliers. That's one service USEC could easily perform while expediting the transition to private enterprise.

Another would be to help keep capacity at all times adjusted closely to demand. We are starting an industry we know will have a definite term. The LMFBR's will come along and then fusion. There are only a certain number of decades during which uranium will be needed. The turbulence you go through avoiding under capacity while you're building up to the peak demand for SWU's will be re-experienced in terms of avoiding over capacity and unmatched amortization on the way back down the hill.

USEC could also do a real service by setting up some business-like standards for marketing SWU's. Today the AEC doesn't even have one SWU salesman. You have to go to Germantown and if they like your looks they might enter a contract with you. AEC is going to have to run to make sales and doing so as a neglected sub-function of ERDA isn't exactly my idea of how to succeed in business without really trying. They're going to have to run this business as a busi-

ness, compete, make necessary investments, stockpile millions of dollars of preproduction, and do all of these other things.

In that context, this United States Enrichment Corporation idea can be the effective answer. I invite comments from each and everyone of you about it. It is an important step. We want to do it right. We want to do it right not only from the American standpoint, but we want to do it right because we realize that many nations of the world will still choose to depend upon my country for their supply of nuclear fuels. We want to make certain that (1) supply is assured, (2) it comes at the right price, and (3) it comes on reasonable terms. We intend to do that with your advice and help.

This is an extraordinary opportunity by foresight and wisdom to guard against a worldwide nuclear energy shortage. By doing so we shall meet the demands of our times and we shall have an adequacy of energy in all countries throughout the world.

#### FORD FAVORS MOSHER'S VIEWS ON IMPEACHMENT PROCESS

### HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. BROWN of Ohio. Mr. Speaker, I call to the attention of the House, Vice President GERALD FORD's very favorable comments to the press in support of an impressive statement by my distinguished colleague and friend, Representative CHARLES A. MOSHER of Ohio's 13th Congressional District, in which Mr. MOSHER states his views on various proposals for the resignation or impeachment of President Nixon.

Congressman MOSHER's lengthy, but very forceful and responsible report to his Ohio constituents was dated May 13, 1974.

Vice President FORD's comment in support of the Mosher statement was made Saturday, May 18, in Hawaii, during an interview with D. M. Rothberg of the Associated Press, as reported yesterday on page 1 of the Washington Sunday Star-News.

Rothberg's question to Mr. FORD was:

How would you evaluate statements by House Republican leaders John Rhodes of Arizona and John Anderson of Illinois suggesting the President consider resignation? Are they trying to warn the President that he is in trouble in Congress?

Vice President FORD responded:

I think that you can only get an evaluation from them. Each may have a different reason for asking for resignation.

I think that Congressman Charles Mosher of Ohio had one of the best statements on that.

He (Mosher) opposes the use of the 25th Amendment, which I strongly oppose. He opposes the President's voluntarily resigning, which I do. He says he opposes the President's resignation to make things easier for Republican candidates. I don't know what impact his resignation would have on the party, so I wouldn't pass judgment on that.

He (Mosher) agrees, as I do, that there ought to be the judicial process carried through to the conclusion.

Mr. Speaker, I, too, believe Congressman MOSHER's statement on this crucially important and complex issue is excel-

lent and deserves the attention of all of us.

Therefore, I insert the Mosher statement in this RECORD. It is as follows:

#### SOME NEW (AND OLD) SOBERING THOUGHTS ABOUT MR. NIXON'S IMPEACHMENT OR RESIGNATION

(A report to the people of Ohio's 13th Congressional District by Congressman CHARLES A. MOSHER, May 13, 1974)

This is in response to the insistent demands I receive daily from many people of our Ohio's 13th Congressional District, and from the press, that I comment on the deteriorating position of Mr. Nixon as President.

Suddenly last week, almost everyone (especially here in Washington) seemed to agree that for the good of the country, Mr. Nixon must step down or be removed; it was said to be only a question of when and how. That coalescing of opinion was triggered by disgust and indignation at the tone and content of Presidential conversations revealed in the edited transcripts of White House tapes. Hugh Scott, the Republican Senate Leader, expressed the popular mood well when he called those conversations "deplorable, disgusting, shabby and immoral."

#### QUICK SUMMARY

Six alternatives are discussed in these lengthy pages. But my considered position on each alternative is quickly summarized for you here in advance, as follows:

1. I oppose the idea of designating Gerald Ford as merely an "Acting President," with Mr. Nixon temporarily sidelined pending the House and Senate action on impeachment.

2. I oppose the President's voluntarily resigning in advance of an impeachment decision.

3. I strongly oppose any notion that Mr. Nixon should resign merely to make things easier for Republican candidates this year.

4. I can conceive, and probably could accept as wise under very specific limited circumstances, concerted action by a most prestigious, bipartisan group of Congressional and other government leaders, formally requesting the President's resignation.

5. I strongly support the impeachment process as essential under the Constitution; I have confidence in the House Judiciary Committee's inquiry; I believe the President is very wrong in his refusal to honor fully the Committee's subpoena.

6. I reject the constant demands that I take a public position in advance, yes or no, on the impeachment question. As a Congressman, I have sworn obligation not to prejudge that question, until the official evidence, recommendations and arguments are presented fully and debated . . . probably in July. (But, yes, of course, I have my private opinions.)

#### ALTERNATIVE NO. 1—"ACTING PRESIDENT"

I vigorously disagree with those who suggest that Mr. Nixon should choose to step aside temporarily, and Mr. Ford should then be "Acting President" until the Congress completes the impeachment process. I suggest that arrangement would place Mr. Ford in an impossible position of unprecedented uncertainty; he could not be a decisive, effective President in that temporary caretaker role. That definitely is not a choice in the national interest.

#### ALTERNATIVE NO. 2—VOLUNTARY RESIGNATION

I reject the notion that the President should now simply by his own volition choose to quit. Ever since the first talk of his resignation a year ago, I have argued that that would be "too easy"; it would be very bad because it would leave all the "Watergate" related facts and issues still undecided and the American people still bitterly confused and frustrated, cynically suspicious and accusing, angrily divided.

I have argued there could be no really healthy, final settlement of this tragically unhealthy "Watergate" mess except as the whole nation participates (at least vicariously) in some kind of agonizing catharsis, presumably through the Constitutional process of impeachment of the President by the House of Representatives and then his trial before the Senate.

I have argued that by simply choosing to resign Mr. Nixon would thus establish a very unfortunate, dangerous precedent for later Presidents; that even the most suspect or unpopular of legally elected Presidents should resist strongly against being unseated by any political, factional, mass media, popular or other varieties of pressure which are not adequately reinforced by the due process arrangements of the Constitution.

The stability of the Presidency is essential and it requires that no legal occupant of that office shall remove himself from it or be removed from it except by some very responsible, institutionalized, due process which the American people fully recognize and accept as being decisively responsible to the nation's best interests. If the President simply quit, giving the impression of being forced out at a time when many, many people (even though a minority) still believed in him, that would be extremely bad; it would be a precedent which could terribly subvert the Constitution . . . so I am convinced it is an alternative still very unacceptable in today's circumstances.

#### ALTERNATIVE NO. 3—TO RESCUE GOP

I definitely do not support the notion that President Nixon should resign now merely to make things easier for Republican candidates in this year's elections. Any call for his resignation worthy of serious consideration should be motivated at a level well above mere political expediency. All talk of the President's resigning just to help the G.O.P. save skins should cease . . . it's the country as a whole that needs help. Although, yes, I do believe it is important to the whole country that the two-party system survive, preferably revitalized and reformed.

#### ALTERNATIVE NO. 4—RESIGNATION DEMANDED

Conceivably acceptable to the whole people (though I doubt it) would be an unprecedented procedure by which the President might decide to resign only after being formally advised that his resignation is essential to the nation's best interest, even though he is personally reluctant and resistant. To be creditable, authoritative, acceptable and effective, that demand on him could come only from the concerted participation and carefully considered agreement of the most prestigious bipartisan group of government officials, who would go to the President personally and very firmly request his resignation. Their action and their reasoned justifications for it should be a matter of public record.

Any such group necessarily should include the leadership in some depth of both political parties, from both the House and Senate. Perhaps that group alone would be sufficient (because clearly implied there would be the congressional power to impeach and to convict); but ideally it also could be augmented by the National Chairman and other leaders of the President's own party, members of his own cabinet and possibly some governors. It would seem almost impossible for any President to stand against a resignation request from such a group; but of course that would be his Constitutional right, to refuse the request.

I consider that "Alternative Four" fascinating to contemplate, but not likely to happen. There were rumors on Capitol Hill last week of conversations that could lead to some such a bipartisan leadership approach to the President; but I doubt such conversations really happened . . . it's as yet only a "conceivable" institution.

I suggest there are at least two requisite

criteria for any such ad hoc, bipartisan leadership resignation demand on the President: ONE—All participating in the demand should be in complete agreement that their demand is fully warranted by the national interest, and not for some lesser reason. TWO—The existence of a demonstrably overwhelming, popular consensus that the national interest requires the President's resignation.

But let's be realistic: President Nixon today is determined not to resign. And no such group of government leaders as I described above is yet ready to confront him with the demand that he resign. The reluctance might change, only IF and when the House of Representatives votes a bill of impeachment.

At that point, facing the excruciating ordeal of trial by the Senate, then surely President Nixon would reconsider seriously whether to resign; and surely at that point many responsible government leaders would join in advising him to do so. He might then reluctantly declare "with honor" and without admitting any personal guilt, but "for the good of the nation," to save the American people from the divisive, distracting ordeal of that trial and to allow the nation to "move ahead," that he would step down.

I am convinced it is only at that point of impeachment, and in somewhat that style, he might decide or be persuaded to resign. But my objections stated in discussion of Alternative TWO, above, might still apply.

NOTE.—In all this talk of resignation or impeachment, no one can afford to discount the very real possibility that President Nixon still may be able to "hang in there" and "tough it out," completing the four-year term to which he was elected in 1972. Obviously, he still is in a defiant and determined mood, and his is a lifelong record of amazing political resilience.

Assuming that the House of Representatives is likely to vote for his impeachment, there would still remain considerable doubt whether the Senate would convict (requiring a two-thirds vote). I believe the Senate will convict only if the case against the President is at that time exceedingly convincing.

#### ALTERNATIVE NO. 5—IMPEACHMENT

The House Judiciary Committee's impeachment inquiry began last November, it has now finally reached the stage of actually hearing the evidence, and presumably the Committee's report and recommendations will be presented to us in the full House of Representatives no later than mid-July. Nearly everyone assumes that a Bill of Impeachment will be presented and recommended to us. If so, then general debate on impeachment is expected to take at least two weeks, and our decisive vote . . . to impeach, or not to impeach, that is the historic question . . . will be in late July or early August.

Yes, that seems an agonizingly tedious process, but it is thorough, it is responsible, it is fair, it has integrity, it is of the essence of our Constitution . . . I believe it is the due process this national crisis requires of us. Many angry, impatient, frustrated critics of the President are shouting that impeachment takes too long; but I am confident that in the perspective of history that slow, careful process will prove most wise and justified.

I have heard the skeptics, but on the basis of close observation, so far, I do firmly support the Judiciary Committee's conduct of the impeachment inquiry. I consider that process imperative, to meet the requirements and intentions of the Constitution. I am confident these impeachment proceedings will revive and strengthen the force and credibility of our whole system of checks and balances of power in the government . . . it is absolutely essential to the integrity and viability of our Constitutional arrangements.

I am confident that the Judiciary Committee's subpoenas for certain of the White

House tapes are warranted; and I believe the President is profoundly wrong in his inadequate response to the subpoenas, in his haughty claim that his selected and edited transcripts (released April 30th) are all the Committee needs. Surely, it is the Judiciary Committee and not the accused President, who shall determine what evidence is pertinent to that inquiry; and clearly, this is not a situation in which the doctrine of "executive privilege" can stand against the very unique, overriding status of the impeachment process as specifically established in the Constitution.

It is that arbitrary refusal of adequate response by the President, plus the miserable content and tone of the transcribed Presidential conversations, which combined have so precipitously eroded his position in the past two weeks, finally alienating many who formerly supported or tolerated him . . . including some crucial members of the Congress.

#### HOW SHALL I VOTE?

"So, how will you vote on impeachment?" That is the question people continually ask me. But, I have an absolute obligation, in my elected capacity as a Congressman, to refuse answers to that question at this point. It is an improper question to me until the impeachment inquiry is completed and I have had an opportunity to examine the report.

Ever since we ordered the Judiciary Committee to conduct that impeachment inquiry and make its recommendations, I have steadfastly responded to all the many hundreds who have urged me to take a public position either for or against impeaching Mr. Nixon, as follows:

"It would be highly improper and irresponsible for me (or any Congressman, I suggest) at this point to say either YES or NO on the impeachment question. That is so, because each of us is now in effect seated in the jury box (as if a member of a Grand Jury) awaiting presentation of the evidence and the arguments. The necessary investigation by the House Judiciary Committee, preliminary to a vote on impeachment proceedings, was authorized by the House of Representatives last November, and in February we strengthened that authority by an overwhelmingly bipartisan vote, 410 yeas to 4 nays, granting the power of subpoena to the Committee. I supported that grant of authority on both occasions. I believe it imperative that the Committee conduct its investigation very vigorously and broadly as expeditiously as possible, but with scrupulous fairness, "bending over backward" to avoid political partisanship.

"The crucial vote which we now face, probably in July, is extremely important, an historic, sobering responsibility. It rests heavily on me, on all of us. So, I believe you will understand I MUST reserve judgment on impeachment until all of the Committee's evidence, arguments and recommendations are reported to us officially."

That still is and will continue to be my steadfast response to the above question. Despite my own private views, I will make the honest attempt NOT to prejudge that question. I will give the President the benefit of doubt, unless and until the evidence and the arguments (as presented by the Judiciary Committee) convincingly demonstrate a presumption if impeachable offenses. (My own inclination is to the broad interpretation of what constitutes an impeachable offense.) That position of reserved judgment clearly is my sworn responsibility.

So, then people say to me, "But surely you must have some definite personal opinions concerning Nixon, don't you? You can't really just be on the fence about him." Of course, I have my very strong, long-held private opinions about Mr. Nixon, and a few new ones too . . . but those strong personal views I must try to restrain if and when the moment comes when I must make a voting deci-

sion based on the official evidence then before us.

*Invitation.*—If you have followed me this far, and I hope you have, please now send me your own further comment and advice. I will welcome it!

## PROPOSED LEGAL SERVICES CORPORATION

### HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. WOLFF. Mr. Speaker, Judge Jack B. Weinstein, who sits in U.S. District Court for the Eastern District of New York, has written an excellent series of articles about the delivery of legal services. As the Congress continues its consideration of the bill to establish a Legal Services Corporation, I bring these articles to the attention of my colleagues. The second part of the series will appear tomorrow. The first part follows:

[From the New York Law Journal,  
May 2, 3, 1974]

DELIVERY OF LEGAL SERVICES REVIEWED  
(By Jack B. Weinstein)

#### FIRST OF TWO PARTS

In a democratic and complex society such as ours, the availability of the law's protections is vital to an individual's well being. Yet, lawyers and laymen alike have generally failed to address themselves to the problems of the effective delivery of legal services with the kind of critical attention devoted to other goods and services, such as medical attention and transportation. Partly this results from an outdated mystical view of the law and judges.

In the last generation or so, of course, we have moved a long way from the common law traditions that judges did not make law—they merely discovered and announced it. Nevertheless, this assumption is still imbedded in the marrow of our courts—a system modeled in the main on the central courts of England designed to serve a relatively small class of propertied persons. Our approach is too often consistent with a tradition that judges and lawyers, like the ancient priesthood, protect mysteries too esoteric for the common man.

This tradition was a useful concomitant of a class society where the royal rulers possessed power by divine will and the black-robed judge on the high bench, spoken of in the third persons as "your honor," shared in this connection. But it provides a subconscious barrier to legal reform.

The complex organization of a modern society such as ours results in many problems and situations which are accompanied by diffuse consequences of a legal or quasi-legal nature. Procedural means and working institutions are needed to remedy or deter illegal conduct; there must be some means for all citizens to vindicate the full panoply of rights to which they are at least theoretically entitled.

This is not to say that courts can, or should try to, solve all social ills or even that all justifiable controversies of broad public concern can be handled satisfactorily. We are just beginning to feel our way in the direction of appropriate limits. The solution will have to come from a case-by-case interpretation of subtle doctrines and standards, and not by a rigid narrowing of class action and other such rules designed to permit effective and appropriate redress.

Despite the many advances we have made

in the last few years, by and large our courts are still not effectively delivering legal services. Within a few blocks of my courthouse in Brooklyn, there is a city jail housing more than a thousand men presumed to be innocent, with the right to bail and a prompt trial on the charges lodged against them. Many of them wait for more than a year for their case to be reached.

#### INADEQUATE FACILITIES

There is a Family Court where people sit and wait interminably to be heard by a court which has inadequate facilities for treating children who probably will become criminals if they continue to be deprived of the services required to enable families in trouble to cope with their problems. There is an improved Housing Court where some landlords and tenants still claim that they are not aware of their rights. There is a Civil Court where the rate of default judgments against consumers is so high that it is clear that legitimate rights to a defense are often unknowingly waived.

Yet, simultaneously, there is an effective, cheap state small claims court available at night. Its services are advertised on radio, proving that methods of protecting legal rights can be devised if we would give them the same attention as we devote to merchandising commercial services. Obviously, much more can be done. Even in small claims court, collection of judgments remains a serious problem. In a city such as New York, pamphlets explaining the right of people in Spanish and other languages are needed.

Simple and understandable summonses with a tear-off form for mailing in an answer, and courts holding sessions in places and at times convenient for those who need help can be developed. Clerks and other court personnel, including judges, can be retrained to assist litigants on the theory that they are paid by taxpayers to help people in need, not to enjoy the perquisites of office.

In many instances more resources will have to be put into the courts and ancillary services.

But in many others it is not resources that are lacking but the will and skill to use them well to help people.

The public has been too tolerant of the enormous discrepancy between what the law promises and what it delivers. We still tend to think that because a court or legislature has articulated a substantive right, those that should benefit from that right automatically do so. Of course, that is not the case. Merely uttering a statement that something in the real world should change seldom results in an automatic corresponding change. Since the post-Depression and World War II period, as our society and the law have become increasingly compassionate and dedicated to equality in fact as well as in theory, we have been forced to face the problem of how rights are to be vindicated as well as what those rights are.

Much of the turmoil around the Warren Court's decisions in the criminal area was due to the shock created by the Court's saying, in effect, to state law enforcement agencies, "We mean it when we say that all people are entitled to effective constitutional protections." The right to be secure from illegal searches was guaranteed to each person by our original Constitution, but for many years this right had little meaning to the victim of an illegal search because there was no effective means of enforcing it. The Warren Court's decision in *Mapp v. Ohio*, mandating application of exclusionary rules in State courts, was a means of insuring that these Fourth Amendment rights were enforced.

Subsequently, the Burger Court substantially enhanced the citizen's ability to vindicate these same fundamental rights in *Bivens v. Six Agents*, declaring that citizens had a cause of action for damages arising out of illegal federal searches. Similarly, rules on the right to effective counsel and

insistence on *Miranda* warnings were designed to insure that brooding rights, omnipresent in the sky and the books, became available in the reality of the daily lives of people.

This is all to the good. But years elapsed between the court's initial opinion establishing a right to be free of illegal state searches in *Wolf v. Colorado* in 1949 and implementation in *Mapp* in 1961. Some of our citizens are no longer content with a system which makes haste so slowly. In addition, we must ask ourselves whether courts, no matter how well intentioned, can possibly implement the legal rights of a population of over 200 million through a case by case method.

#### FUENTES CASE

A recent case is illustrative. In 1972, the Supreme Court in *Fuentes v. Shevin* declared that a seller under an installment sales contract could not summarily seize the goods in the buyer's possession until the seller had first tested his claim to the goods through the process of a prior hearing of which the buyer had notice. This decision has cast serious doubt on the constitutional validity of any procedure which authorizes a creditor to deprive his debtor of any form of property without notice and a prior opportunity for a hearing.

But what were the practical consequences of the court's decision in *Fuentes*? What good does notice of hearing do a debtor who does not understand the form by which he is notified? Even if he can comprehend the legal language, he may be unable to afford a day off from work to go to the hearing which will be held during ordinary working hours; and perhaps more importantly, the right to a hearing will be of little value to him unless he can secure competent legal assistance. Unless we revise our methods of delivering legal services, newly recognized right may amount to mere tantalizing statements with no real content.

#### IMMEDIACY OF PROBLEM

The issue is more important than ever now that the substantive law has begun to shift from caveat emptor to caveat vendor; now that the government has recognized through welfare laws and grants the right of people to keep body and soul together; now that speculators have been subjected to rules designed to make the stock market work more fairly; and now that the rights of children, or prisoners, of women, or minorities and others have become clearer.

Apart from considerations of justice and fairness that require lawyers with a near monopoly on legal services to reexamine their position, there is an approaching crisis of numbers that cannot be ignored. In the last ten years law students in the United States have increased from 48,000 to 106,000. New admissions to the bar in 1963, was 10,788; in 1972 it was 25,086. The urgent demand for seats in law schools so far exceeds the supply that thousands of bright young people cannot be admitted. Reacting, the State University's Law School at Buffalo plans to expand to become the largest in the nation, a new school at Hofstra is firmly established and plans are well along for new schools at Queens College, Yeshiva University, Pace University, University of Rochester and Tauro College.

As a result we can easily foresee a doubling of the number of practicing lawyers within the next few years. Only the opening of a new market for lawyers' skills can absorb this new legal talent. Respect for the law's grand history is not inconsistent with recognition that large scale distribution is our only acceptable alternative to economic chaos in the profession. Fortunately, the potential demand for lawyers' services exists.

#### CHANGES NEEDED

What must we do? First of all, we must continue to make procedural reforms in the

Institutions which deliver legal services—courts, administrative agencies, private arbitration groups, civil legal services, criminal legal aid, consumer groups, and others.

Since Pound's often quoted attack on our court system more than a half century ago, efforts have been made by organizations such as the American Judicature Society, the law schools, the Institute of Judicial Administration, many bar associations, the League of Women Voters and others to improve the courts. Better methods of selecting judges, such as the Missouri system, and of disciplining them, such as the California system; modification of court practice and structure, such as in the federal and New Jersey systems; a growing interest in the modern paraphernalia of business management with the assistance of such groups as the businessmen's Economic Development Council in New York; and national programs for training court managers and judges, have helped improve our ability to meet growing demands for legal services.

But even these technical improvements have not been unopposed. Some judges and politicians resent the elimination of judicial privileges or the cutting off of patronage. Some plaintiff negligence lawyers fear no-fault plans that threaten loss of income. Some defense lawyers dislike simplified federal rules of civil procedure that make it easier to discover evidence necessary to prove a cause of action. Some prosecutors fight procedures requiring revelation of evidence to defense counsel.

#### FEDERAL RULES

The attempt to gut the recently adopted federal class action rules provides an example of such opposition. These rules, the result of hard fought reform, are proving effective in permitting many people with relatively small claims to join together to bring actions against substantial adversaries. Proposals by representatives of powerful defendants would make it more difficult to bring class actions.

Class action and other procedural reforms make it easier for every person to enforce rights. They test the credibility of our judicial system. Either we are committed to make reasonable efforts to provide a forum for the adjudication of disputes involving all our citizens—including those deprived of human rights, consumers who overpay for products because of antitrust violations and investors who are victimized by misleading information—or we are not. There are those who will not ignore the irony of courts ready to imprison a man who steals some goods in interstate commerce, while unwilling to grant a civil remedy against a corporation, which has benefited to the extent of many millions of dollars from collusive, illegal pricing of goods.

Effective enforcement of rights by the courts often requires changes in other institutions. In the case of prisoners, for example, lawyers must be made available in prisons and administrative remedies for prison grievances are required. So, too, a new attitude towards what should happen after conviction if people are to escape from the crime-punishment cycle requires a radical change in our corrective system and new attitudes on the part of private government employees. On these and other changes needed to better serve consumers of law, I have written elsewhere. What I would like to do here is touch on one aspect of the challenge we face in the delivery of legal services—the problem of providing effective counsel, both to the indigent and to the middle income citizen.

#### ASSISTANCE TO INDIGENT

Unless we are going to merely pay lip service to the Constitution and our democratic ideals, the means must be provided for everyone, including the poor, to vindicate their rights and make secure their constitutional protections. The legal services programs for the poor funded by government

organizations have played, and continue to play, an important role in the administration of justice in this country. This role has two aspects—first, the need to effectively deliver justice to large masses of people who generally have neither the knowledge nor the assurance to use the law, and, second, the needs of the courts that must be met to be able to dispense justice on a mass basis.

Legal service programs, I believe, have gone far to achieve this first objective, since they do enable the poor to gain access to the courts.

The fight to preserve the federal Office of Economic Opportunity and like legal services programs must be continued. But changes must be made to make O.E.O. programs even more responsive to the needs to deliver legal services to the indigent. Among these changes are the following:

#### CHANGES OUTLINED

(a) Income limitations should be made more flexible. There is still some resentment by lawyers over what some of them believe to be loss of fees. This, for example, is apparently still a major problem for the New Haven Legal Assistance Association. I found it a serious obstacle when we were establishing the Nassau County program and I was amazed to see lawyers for the banks and large real estate interests teaming up with storefront lawyers from the black community to oppose the program. This form of opposition has been reduced in Nassau County since more lawyers now realize that more litigation benefits all of them economically and that protecting the rights of the poor is just. Perhaps fees should be charged on a sliding scale. A case that was started when the client was without funds might be retained after the client gets a job; some form of referral or joint representation to provide fees in these cases to private lawyers may need to be considered.

(b) Restrictions against criminal representation by O.E.O. programs should be re-evaluated. Representing a whole family with many problems requires work with public and private social agencies, family courts, civil courts and sometimes criminal courts.

(c) Funding of legal services programs should be established on a long-term basis so that availability will not vary with changes in the mood of the legislature. Without such commitments it is impossible to attract able lawyers who cannot afford to sacrifice their careers and livelihood. Something should be done to reduce the nearly 50 per cent differential between starting pay in large law firms and in O.E.O. programs. Many students who would like to do this public work cannot afford to do so, particularly since they leave law school burdened by debts assumed to pay for their education. Many good lawyers must leave legal services when they want to establish families and can no longer work for minimal salaries.

Generally, payment for assigned counsel is too low. The fees in New York for private counsel for the poor in criminal cases encourages inadequate representation.

#### EXPANSION OF PARTICIPATION

(d) Local participation in federally funded legal services programs should be expanded—always keeping in mind that independence from political control by powerful groups in the community is essential. While lay persons should participate on boards of directors, it is important that professional responsibility of the lawyer to the client remain unimpaired.

(e) The lawyers should not be limited in utilizing actions against the government or legislation to protect their clients. They should have exactly the same freedom in this respect as they would representing private clients. Again, independence from political control by powerful groups in the com-

munity is vital if the program is to work well. Fortunately, the American Bar Association has recognized this and has fought for autonomy of legal services programs.

When I helped establish Nassau County's legal services program, as County Attorney of Nassau County and later as the first chairman of its Board of Directors, a major problem we had was asserting complete independence of government and representatives of large institutions who were afraid, with good cause, that our attorneys would assert our clients' claims effectively against them. How to keep those who control public funds from asserting operating control over an organization which will tend to make life uncomfortable for them is one of the most difficult problems in this area.

#### PROFESSIONAL QUALITY

Another aspect of the contribution of legal services lies in the highly professional quality of the services that they render. One cannot underestimate the dependence of judges on the attorneys who appear before them. When counsel comes into court fully prepared, delineates the issues to be decided and then thoroughly briefs those issues, he goes far towards assuring that the courts will operate efficiently and effectively.

The Nassau County program to which I referred earlier has demonstrated that praise of such programs is warranted. The program has averaged 3,100 new cases a year in a variety of areas affecting the poor—consumer fraud, employment, housing and family problems. Illustrative of this program's contribution is a recent case prepared exclusively by the Nassau County office, which eventually reached the United States Supreme Court, challenging a New York State law respecting the distribution of textbooks in the public schools, brought on behalf of school children who were denied textbooks solely because they were unable to pay the textbook rental fee required by the school district.

Nassau County, unlike some other areas in the country, is particularly fortunate because it also has a good Legal Aid Society providing help both in the civil and criminal courts. It also has an unusual clinical storefront program under the direction of a professor of Hofstra Law School, who was counsel to the Long Island Lighting Company, and is a leader in the county's major social and political structures. As a result he can give clients (and his students) the same kind of entre to those who control the county's powerful institutions as do the senior partners of the great law firms of the country. We may dislike the thought of elitism among lawyers, but ignoring it puts clients at a disadvantage. It is still generally true, as Professor Schrag of Columbia has said, that the very rich get the best lawyers and the middle rich the next best lawyers.

#### WELFARE TEST CASE

One test case in welfare litigation that I presided over demonstrates, both in the development of the law and in assistance to the individual, what can be accomplished by good legal services. This lawsuit, *Rosado v. Wyman*, raised a legal claim on behalf of a million poor people in the State of New York, a claim which was ultimately upheld by the United States Supreme Court. The case gave rise to major substantive and procedural issues, issues which had to be resolved in a short amount of time owing to the serious injury that the plaintiffs were suffering. The counsel who appeared for the plaintiffs, attorneys from the Center on Social Welfare Policy and Law (then closely associated with the Law School of Columbia University), produced the quality of work that one usually associates with the largest and most respected law firms in the private sector—extensive briefing, plus oral argument and the presentation of evidentiary data and live witnesses, respecting complex issues in a



specialized field within a very rigid time schedule.

In sum, it has always seemed clear to me, first as a practitioner and later as a judge, that the merits of legal services should not only be evaluated by the benefits gained by individual clients of the program—which are by no means insubstantial—but also by the role it plays in the administration of justice in this country. Viewed in this light, at a time when our courts are in the throes of a severe crisis, with public confidence in their ability to respond to the demands of today's society properly being questioned, it would seem to be the height of folly to allow these programs for the poor to be emasculated.

A WAY TO REGAIN STATURE

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. HUNGATE. Mr. Speaker, among the newspapers making various suggestions for a resolution of the current constitutional crisis is the Hannibal Courier-Post, published at Hannibal, Mo., in my district.

Its recent editorial follows:

A WAY TO REGAIN STATURE

There is an uneasiness which accompanies the reading of the transcripts. It grows as the reader progresses, especially if he has been a supporter of President Nixon, voted for him, and wanted badly to believe he stood a safe distance from the Watergate quagmire.

All the reluctance, all the intricate legal maneuvering to avoid turning over the tapes and transcripts is now only too understandable. That is to say, while no one can truly say that presidential privilege and executive immunity played no part in the reluctance, the revelations and insight given by the edited transcripts are damaging.

In a strict interpretation of the language of the Constitution, perhaps President Nixon still is not impeachable for "Treason, Bribery, or other high Crimes and Misdemeanors." The transcripts, however, may have impeached beyond repair the moral integrity of the Nixon Administration.

For there is a paucity of moral fidelity which pervades the transcripts. There is consideration of bribery, even though it was never in fact accomplished. There is consideration of obstruction of justice, and whether in fact justice was obstructed matters not for much in the minds of people who almost desperately want to believe their president is above even the consideration of such.

There is cynicism in the transcripts. There is almost shocking duplicity in the marathon conversations, especially in the way that close allies and friends are dismissed and sacrificed. There is precious little moral indignation and even less determination to exercise the problem in a forthright manner.

It is possible that the transcripts do give credence to President Nixon's claim of innocence of any direct wrong doing, or any personal leadership in the cover-up operation. Generally, this is indicated by the conversations. But he seems culpable in his demonstrated failure to take positive action when he had the facts available.

On the whole, the President's performance on the transcripts was sad, disillusioning and less than the people who gave him his landslide victory in 1972 have a right to expect.

Not many people would enjoy having their private conversations exposed in print. But even allowing for human imperfection, peo-

ple might well think the President of the United States to be on a higher moral and ethical level than the ordinary citizen; particularly a president who records all personal conversations on tape.

The general malaise that comes with reading might be attributed to learning more than we really wanted to know about what goes on in the oval office. And the President says now there will be no more tape or transcript revelations. We would agree with that position. That which has come is more than enough. The nation and the people are surfeited.

President Nixon might regain some stature, at least some sympathy, by resigning his office and allowing fresh leadership to restore moral and ethical credibility to the Republican party and to the nation.

FREDERICK M. GILLIES DIES

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. HANRAHAN. Mr. Speaker, the recent death of Mr. Frederick M. Gillies was a sad day for many of us from Illinois. I wish to pay my deep respect to his memory by entering the following article from the May 9, 1974 edition of the Chicago Tribune into the RECORD.

The article follows:

NEVER KNEW FAILURE; FREDERICK GILLIES, STEEL LEADER, DIES

Frederick M. Gillies a personable powerful steel industrialist whose colorful career ranged from football stardom to political honor died yesterday in South Suburban Hospital Hazel Crest. He was 78.

Mr. Gillies led a very active life in which he won honor after honor in everything he attempted. He knew no such thing as failure.

He was an All-American football star at Cornell University. He was an aviation pioneer, a daring pilot of rickety U.S. Naval aircraft that fought in World War I. He spent eight years as a bone-cracking star tackle for the old Chicago Cardinals. He helped George Halas coach of Bears.

He was one of the most respected executives in the American steel industry. He was one of Republicanism's grand old men, a spectacularly successful fund-raiser as chairman of the United Republican Fund of Illinois.

He survived a plane crash and a car wreck.

Mr. Gillies was born Dec. 9, 1895, in Chicago, the son of a steel company executive who had emigrated from Scotland.

"My father had a good job in the steel company, but he was old-fashioned enough to make me work during the summers," he said. "That's how I got into the steel business."

He gained vast expertise as a steelmaker, rising over the years to become general superintendent of giant Inland Steel. He left the firm in 1949 to go to Acme Steel—no Interlake Steel Co.—where he rose to board chairman before he retired.

His steel career did not dampen his enthusiasm for flying and football, however.

After the war, he played with a series of pro football teams—at one point as a teammate of George Halas—and wound up with the Chicago Cardinals. He also kept flying, and he narrowly escaped death in 1932 when a plane piloted by Eddie Stinson crashed in Grant Park. Stinson, the nation's leading aviator at the time, was killed.

During World War II, he helped Halas

coach the Bears, and he devised programs for players to work in war plants in the daytime and practice at night.

In 1949, he was sent to Germany to help Germany's war-smashed Ruhr Basin recover its steelmaking capacity. After his retirement from Acme Steel, he spent nearly 10 years as chief Illinois fund-raiser for the Republicans, gathering money for candidates from Barry Goldwater to Sen. Percy.

Surviving are his widow, Blanche; a niece, Theo Nightingale, who was adopted by the Gillies and raised as their daughter, and a sister, Mrs. Marjorie Jaicks.

IMPEACHMENT AND ISRAEL

HON. BERTRAM L. PODELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. PODELL. Mr. Speaker, with the latest Watergate revelations coming out of the Judiciary Committee and the ubiquitous "informed sources," the talk about the likelihood of impeachment is more than mere conjecture. I think it is safe to say that the Judiciary Committee will recommend, and that the House will vote, a bill of impeachment against President Nixon.

Whether the President will actually be convicted by the Senate is still in the realm of conjecture, but each day he loses more support among those he once thought he could rely on implicitly. First, BARRY GOLDWATER, then JAMES BUCKLEY, and finally Senate Minority Leader HUGH SCOTT, have turned their backs on the President. HUGH SCOTT, who once backed the President as strongly as GEORGE MCGOVERN backed THOMAS EAGLETON, is now calling the President's actions, as revealed in the transcripts of the White House tapes, "deplorable, disgusting, shabby, immoral performances." Senator SCOTT once thought the President could do no wrong. Such changes in attitude as this lead me to believe that impeachment and conviction of President Nixon may well come to pass before the end of the year.

This is not meant to be a learned legal discourse on what is an impeachable offense. The Constitution itself is infuriatingly vague on just what an impeachable offense is, other than that it be a "high crime or misdemeanor." Vice President GERALD FORD, when he was minority leader of the House of Representatives, said in a different but still applicable context, that an impeachable offense is whatever the Congress says it is. The Congress, from all indications, appears to be so thoroughly disgusted with the way the President has abused the powers of his Office for his own aggrandizement, that they may finally be prepared to find that he has obstructed justice in the Watergate coverup, and assess him with blame for the whole sordid mess.

It is, therefore necessary to start thinking in terms of contingencies. If Nixon is impeached, what then for this country? What kind of President will GERALD FORD make? Will there be any radical changes in American foreign policy? Currently there are crucial talks

underway between the Secretary of State and the heads of state of Israel and Syria, that will hopefully lead to a disengagement along Israel's northern frontier. Will the impeachment of President Nixon bring to an end our efforts to bring peace to the Middle East?

Frankly, I do not think that Israel's security, or any other aspect of our foreign policy will be jeopardized in any way if Nixon is impeached. It is true that Nixon's foreign policy has been quite good. In recognizing Communist China, in attempting to end the cold war with Russia, in trying to redefine our relations with Western Europe, he has done a great deal to make his "generation of peace" a reality. His choice of Dr. Henry Kissinger as Secretary of State should be applauded by all. Dr. Kissinger's current efforts in trying to work out a Middle East settlement are truly remarkable. In fact, it is because of Henry Kissinger that the President has been able to implement his foreign policy. The President may come up with great ideas, but it is Dr. Kissinger who gets them to work.

That being the case, would Kissinger resign if Nixon is impeached? I do not think so. President Nixon has chosen, in GERALD FORD, a Vice President who is totally committed to the policies put forth during the past 5 years. GERALD FORD, in his confirmation hearings before the Senate last year, demonstrated himself to be an honest and capable politician. I know GERALD FORD from the years of our service together in the House of Representatives. He has a long and distinguished record of friendship for Israel. In fact, he is known to have supported Israel far more strongly than President Nixon. I would seriously doubt that he would change the Nixon policies in the Middle East.

Further, the Secretary of State has his own reputation riding on the outcome of the current round of shuttle diplomacy. It is inconceivable that Henry Kissinger would up and leave a job half done because Nixon was impeached. I think that Kissinger will see things through to a final settlement, no matter how long it takes. And I think he will exert the considerable powers of the American Government to make sure that whatever peace agreement is realized will be one that Israel can live with.

On the other hand, there are compelling reasons for impeachment, reasons which every concerned citizen must be aware of. To begin with, impeachment, in my view, is the only way this issue will ever be resolved. The President is right when he says that the Watergate problem should be put aside, so that we can get on with the business of running the country. But we cannot put the question aside until all our questions about the President's involvement and other possible wrongdoing have been satisfactorily answered.

It has become necessary, in order to make sure the truth will come out undiluted and unexpurgated, to have the House of Representatives vote a bill of impeachment, and have the Senate sit

as a jury on the charges against the President. Let them make the ultimate decision and resolve the issue once and for all. Once that is done, I think it is fair to say we will never hear the word "Watergate" again.

What is a high crime justifying impeachment is that a man who is President—and thereby charged with the responsibility of governing 210 million Americans—believed that he was so far above the law that he could do what he chose to do, without regard for either the Constitution or the laws which govern us all. The President is a citizen, just like the rest of us. And, just like the rest of us, he must answer to the law, and act in accordance with it. He cannot consistently hide behind a purely theoretical claim of executive privilege to avoid having to answer legitimate inquiries about possible wrongdoing by him and his subordinates. He cannot say, through the mouth of his attorney, that he would even defy the Supreme Court of the United States for the sake of preserving the integrity of the Presidency.

The Presidency, both present and future, has already suffered great damage. An individual who takes advantage legally of tax loopholes is commonplace. It is the fault of the Congress for leaving so many loopholes and for making them so generous. But for a man to predate a deed of gift in order to take advantage of a loophole, is a crime. When a President does it, it is a high crime. It is another example of how Richard Nixon, who swore an oath on the Bible to uphold the Constitution and faithfully execute the laws of the United States, has placed himself above the Constitution and the laws. It is an attitude that threatens all our most cherished democratic principles. It is frightening, and we must put a stop to it, for the good of the country.

Furthermore, the President is a great believer in strong-arm politics. It was revealed in the transcripts how little he thinks of the congressional leadership. Speaking about CARL ALBERT, the Speaker of the House, he said, "If he doesn't go along, go get him." I still remember when President Nixon sent one of his emissaries to my office to enlist my support for the President's Cambodia policy. This man told me, "The President wants to know who his friends are." If it were not so serious, this, combined with the vulgar language and secretive plottings, would bear a laughable resemblance to a syndicate mobster plotting a caper.

For those Jews who feel as I do about the need for strong American support of Israel, I have one more word of warning. Though we may look at Nixon as a benign malevolency, we must always remember that the first line of defense any minority group in this country has against discrimination and oppression is the Constitution. This must be backed up by a President and executive branch who respect both the Constitution and the minority groups that the Constitution seeks to protect. A President who flagrantly disobeys the law, who cloaks

himself with a trumped-up theory of what he thinks is constitutionally justified executive privilege, and who refers to minority group members as "those Jews" or "the wop," is not the kind of person we can expect to protect our interests.

The American policy toward Israel has been 25 years in the making. Despite some reverses, such as the infamous Rogers plan, that policy has been one of acting in the combined best interests of Israel and the United States. It has been a policy that has evolved as Israel has evolved, a policy of growing maturity and sophistication that has kept pace with Israel's growth as a mature political entity. It has not been a policy of expediency or crisis management, but one designed for the most part to further the legitimate interests of both Israel and the United States.

Yes, there have been setbacks, such as the Rogers plan and the recent Security Council vote in which the United States broke a promise to Israel and cast a pro-Arab vote. But time and again, an equilibrium has been reached that has taken into account the changes both in this country and the political situation in Israel. This has been the case since 1948, through the administrations of five Presidents, and will continue to be true no matter what actually happens to President Nixon as a result of Watergate.

The Jewish community, although by and large it tends to be liberal and democratic, is conservative as far as America's relations to Israel are concerned. They feel that they have a good thing going and want to hang on to it. The point is, the good thing will still be there even if President Nixon is not.

The President has brought disgrace not only on himself, but on the Office of the Presidency, on the executive branch of the Government, and on the Nation as a whole, by his conduct in the last year and a half of the Watergate affair. I firmly believe it would be better for this Nation in the long run if he were to be removed from office through the constitutional process of impeachment. I believe also, just as firmly, that such a train of events would not harm our traditional good relations with Israel.

Fear for Israel is a false issue, and should be laid to rest, so that we can look at the questions of Watergate and impeachment as American citizens concerned for the ultimate welfare of our troubled Nation.

#### NIXON HEALTH PLAN LIMITS CONSUMER ROLE TO PAYING BILLS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. ROSENTHAL. Mr. Speaker, the health care proposal President Nixon spoke of today in his speech from Florida is a proindustry, anticonsumer program

that would give consumers no direct voice in our health care system.

The only role consumers would have under this plan would be paying bills. The same goes for employers.

The Nixon plan is not really national health insurance because it contains no substantive commitment to reforming the Nation's health care system and would deny coverage to millions of Americans. The deductible and copayment features are so high that only one American in four would get any benefits in a given year.

The proposal also lacks meaningful cost controls and would thereby cost Government and consumers untold billions—far more than any plan now before the Congress. It would put the system in the hands of the private health insurance industry, which has traditionally shown far greater interest in wealth than health. That industry must bear a large portion of responsibility for today's skyrocketing medical costs. The Nixon plan would bring the companies a \$7 billion profit windfall.

The Nixon plan also provides strong incentives for employers not to hire—and thereby have to offer health insurance benefits to—the elderly, handicapped, and others most in need of medical attention and insurance coverage, because employers would have to pay premiums based on their workers' risk factor. The proposal also would mean higher out-of-pocket costs for the elderly, indigent, and some veterans.

The essential key to health care reform is a fundamental shift in emphasis from crisis medicine to preventive medicine, yet the administration program excludes preventive care for adults.

It does not assure that everyone would receive needed medical coverage, because it is a voluntary program that guarantees large gaps in medical coverage and little improvement in the quality and cost of health care for most families.

Consumers must have a major voice in setting policy and running the system if it is to be truly responsive to the needs of the American people.

#### GUNPOINT DIPLOMACY

### HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. WOLFF. Mr. Speaker, the reaction of the civilized world to the slaughter of Israeli children in Ma'alot has been swift and highly critical not only of the sorry band of Arab terrorists but of the Arab nations which aid the terrorists' pathetic cause.

An editorial in the Daily News is a good example of the condemnation of the terrorists and the countries which harbor them, and I insert it in the RECORD for the attention of my colleagues. The editorial follows:

[From the New York Daily News, May 16, 1974]

#### GUNPOINT DIPLOMACY

A band of Arab terrorists sneaked into an Israeli settlement near the Lebanese border yesterday and held 85 teenage children hostage, demanding the release of 20 Palestinian 'commandos' arrested in previous outrages.

U.S. Secretary of State Henry Kissinger, who was in Jerusalem when the guerrillas struck, immediately denounced the attack as 'mindless and irrational,' as well as a threat to his continuing effort to bring about peace in the Middle East.

Insane as it may seem to the world at large, the perpetrators of the cowardly onslaught appear to have just that objective in mind.

Invasion of the school at Ma'alot came just as Kissinger's marathon, shuttle-hopping efforts to achieve a disengagement of Israeli and Syrian forces were at their most delicate point. The American diplomat was, in fact, awaiting Israel's reply to Damascus.

The raid certainly will heighten the fears of those Israelis who oppose even limited pull-backs from occupied Syrian territory because of the peril it would present to exposed settlements along that volatile border.

Only last month, the same band of jackals tried to wreck Kissinger's mission before it began by killing 18 Israelis in an assault on the village of Kiryat Shemona.

Despite the obvious intent of these brutal raids, supposedly responsible Arab governments refuse to treat the guerrillas like the criminals they are. By turning their backs, they aid and abet the terrorists' attempts to sabotage peace negotiations.

#### 1969 SENATE REPORT SUPPORTS VANIK AMENDMENT TO OIL WINDFALL PROFITS TAX BILL

### HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. VANIK. Mr. Speaker, on Tuesday, May 21, I am requesting that the House Rules Committee provide a modified rule to permit me to offer an amendment to the Oil and Gas Energy Tax Act which would:

First, terminate the overseas use of the intangible drilling expense; and

Second, change the foreign tax credit for oil and gas production overseas to an ordinary business deduction.

My amendment is designed to eliminate present incentives for overseas oil exploration and investment and encourage oil companies to increase the level of their investments here in the United States. The amendment is designed to support the drive for energy independence.

Some might argue that the Ways and Means Committee has already taken action to end incentives for overseas oil investment by eliminating the percentage depletion allowance abroad. But this is an insignificant action—as was admitted by the Senate Finance Committee report to the 1969 tax reform bill.

In addition, the Senate Finance Committee report to the 1969 tax reform bill also described how foreign nations use

the foreign tax credit and the U.S. taxpayer to subsidize their overseas operations. The quotes from the 1969 committee report are a perfect argument in support of my amendment to convert the foreign tax credit on oil and gas to a deduction.

The quote from the committee report, with emphasis added, is as follows:

The Committee also does not believe it is desirable to eliminate, as the House bill would do, percentage depletion on foreign oil and gas wells. This probably would not result in a significant increase in U.S. revenues since foreign countries probably would raise their tax rate on income from oil and gas production and thereby reduce, because of the foreign tax credit, any additional revenues the United States might receive. *Indeed, the committee was advised that some countries have provisions in their taxing programs automatically increasing their tax to take advantage of higher U.S. taxes which can be offset by our foreign tax credit.* Thus, the end result of eliminating percentage depletion on foreign oil and gas deposits would merely be to increase the foreign tax burden imposed on U.S. businesses. This result is indicated by the fact that while the U.S. revenue gain from this provision of the House bill is expected to be \$25 million in 1970, it is expected that by 1972 this U.S. revenue gain will have decreased to a negligible amount.

#### ALAMEDA HIGH'S 100TH BIRTHDAY

### HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. STARK. Mr. Speaker, next week-end, May 25-27, Alameda High School in Alameda, Calif., will hold its centennial celebration. An exciting schedule of events has been organized by the students, teachers, administrators, alumni, and friends of the school. I would like to take this opportunity to congratulate all the participants for their outstanding efforts on this historic occasion and share a little of Alameda High's colorful history with my colleagues.

In the early part of 1874 the need was felt in Alameda for a preparatory school for students who had finished their grammar education and in April the first Alameda High School was organized. It was located in Boehmer Hall, a single room over Elbe's Drug Store. The school quickly outgrew the single room and by 1875 a new, three-story wood school building had been completed and put into use—the student body, 80 in number, and the full faculty, both of them, were elated.

By 1904, Alameda High had grown in size and expanded into other buildings, temporary bungalows and the Park Street "Opera House." The 372 students kept the faculty—by now an even dozen—busy and happy.

Finally, in 1925, the magnificent Alameda High School was erected. The building is still in daily use and the faculty, now over 100, instructs 1,800 students in the ways of new math, old Latin

and all the components of a modern education.

Alameda High's centennial celebration will combine the traditions of yesterday with the challenges of tomorrow. One of the participants on the celebration, Mr. Van Cleve—class of 1918—has recalled what Alameda High was like when he was a student 60 years ago. His colorful description effectively conveys the changes and "nonchanges" that have occurred.

Mr. Van Cleve writes:

During my four years, September 1914 to June 1918, Dr. George C. Thompson was our principal. Though some considered him too fussy, we all loved him for his unconscious humor. He was always fair and a fine administrator. School morale was high (no pun intended). We usually had a great baseball team, a fair rugby team (American football not being played in those days), and we were not too bad in basketball and other sports. Remember our student body was something under 500.

Very few of the pupils smoked cigarettes, none openly, and there was no drug or dope problem. Some of the wealthier families had automobiles (Franklins, Stutz Bearcats, Graham-Pages, Maxwells, to mention a few models I recall), which the students were allowed to drive to school on rare occasions when some activity made a transportation problem a good excuse. Most of us had bicycles we rode in fair weather. In bad weather it was a long walk from the "west end of town."

So, either we rode the Oakland Traction Company "trolleys" that ran on Santa Clara Avenue, San Jose Avenue and Park Street, or the Southern Pacific "red trains" that ran on Central and Lincoln Avenues. On the latter one could buy a book of pink tickets that made each ride cost only 2½ cents. I say "only 2½ cents" but in those days 25 cents bought a full cut of round steak and the butcher gave us a slice of bologna or a frankfurter with each purchase. Also he gave us liver for the cat for nothing, along with several big beef bones to make soup.

I am confident that next weekend's celebration will guarantee a fun and exciting time for all and again I want to compliment all the people who have made it happen.

#### U.S. CITIZEN NOT ABLE TO LEAVE RUSSIA

**HON. ROBERT P. HANRAHAN**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. HANRAHAN. Mr. Speaker, on Friday, May 17, 1974, our Embassy in Moscow issued a U.S. passport to Mrs. Marija Kudirka Sulskiene, the mother of Lithuanian seaman, Simas Kudirka, thereby officially recognizing her as a citizen of this country. However, she has not been able to secure permission from the Soviet Union to leave.

In view of this new development in this case, I would like to have printed in the RECORD, the following letter I have received:

MAY 18, 1974.

To Congressman Robert P. Hanrahan:

Since you have been a driving force on behalf of Simas Kudirka and his family, we address this letter to you.

In view of the imminent arrival of the Soviet lobbyists, please make your colleagues aware of the issues involved. This week a high level Soviet delegation is scheduled to lodge a lobbying campaign on Capitol Hill for liberalized trade, huge credits and other concessions. Before any discussions and negotiations on trade can begin, attention should be drawn by American Congressional representatives to transgressions against the basic human rights of American citizens in the Soviet Union who are being prevented from returning to the land of their birth.

On March 25, 1974, the New York Times printed a list of twelve American citizens to whom exit visas are being consistently denied by Soviet authorities. This group now includes Marija Sulskiene, born in Brooklyn, New York. She is the mother of Simas Kudirka, the Lithuanian seaman, who was shamefully denied political asylum on board the U.S. Coast Guard cutter Vigilant, on November 23, 1970, and returned to the Soviets to be subsequently sentenced to a ten year term in a Soviet prison camp. Mrs. Sulskiene, on April 28 was prevented by Soviet authorities from reaching the American Embassy in Moscow to register as an American citizen.

In her case, the Soviet government had violated a Consular Agreement of 1968, in which it pledges that it would "in no way restrict access to U. S. Consular establishments" and guarantees "that U. S. Consular Officers can carry out their duties," including the registration of United States nationals.

There have been repeated arrests when either she or her representative, Sergei Kovalev, tried to reach the U.S. Embassy (Reuters, UPI, AP wire service releases, May 9, 1974). The danger to her still persists.

Last Friday Mrs. Sulskiene finally reached the United States Embassy in Moscow. She was given a United States passport and thus officially recognized as a citizen of the United States. She still does not have a Soviet exit visa, and is being intimidated by the KGB.

In response to requests that restrictions against immigration from the Soviet Union be lifted, the Soviets have maintained that this constitutes interference in their internal affairs. By no stretch of the imagination can such a claim be considered applicable where United States citizens are concerned.

We appeal to our Congressional representatives in the Senate and House of Representatives to make the Soviet delegation aware that the release of United States nationals who are being held against their will in the U.S.S.R., and cessation of the semi-siege of the United States Embassy in Moscow are non-negotiable to any discussions.

Mrs. DAIVA KEZYS,  
President,  
Americans for Simas.

Dr. ROLAND PAEGLE,  
Chairman,  
Seaman's Education Federation.

P.S. We express our sincere thanks to all Members of Congress who co-sponsored the resolution on behalf of Simas Kudirka.

#### SEVERE BLOW TO MIDDLE EAST PEACE INITIATIVE

**HON. EDWARD MEZVINSKY**

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. MEZVINSKY. Mr. Speaker, the Palestinian guerrillas have dealt a severe

blow to the latest Middle East peace initiative. The senseless slaughter of children in Maalot has sent us reeling back into the futile cycle of violence just when the hope for a Middle East peace seemed the brightest in 26 years. The recent barbarism and retaliation have only served to increase the bitterness on both sides, seriously undermining the search for a lasting peace.

Astonishingly, the commandos insisted that their purpose was not to disrupt the ongoing peace initiative, but to win the Palestinians a major role in the Geneva peace talks. I believe that it has been clear for a long time that the Palestinian people must be represented in any peace settlement and I cannot help but wonder if the Palestinians are not once again being used as pawns in this struggle.

I am hopeful that those parties in the Arab world who are truly concerned with the welfare of all the peoples of the area will disassociate themselves from such senseless acts of violence and return to the serious business of negotiating a just and lasting peace.

#### TAX REFORM

**HON. MARVIN L. ESCH**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. ESCH. Mr. Speaker, during the past few months, considerable concern has been expressed over legislation introduced in the 92d Congress by Chairman WILBUR MILLS to eliminate all credits and deductions allowed under existing tax law. Of major concern are the provisions which would do away with deductions allowed for contributions to schools, churches, nonprofit hospitals, and other nonprofit organizations.

While I would accept the fact that Mr. MILLS' committee should look into all tax deductions as a matter of procedure, I cannot be more emphatic in stating my belief that we must oppose any move to eliminate deductions for contributions to religious, scholastic, and other institutions.

One of the basic freedoms of the American people under the Constitution is the right to support and contribute to churches, hospitals, and educational institutions of their own choice. Our current tax laws recognize and support this freedom by allowing such a freedom of choice, and in fact, encourages such support. This is particularly true of religion, where the separation of church and state is critical to the maintenance of a free society. The one factor that differentiates our country from others is the strong contribution to the communities of our schools, our churches, our institutions of higher learning and our other nonprofit activities. We must recognize that voluntary giving and contributions should be encouraged as a national policy rather than discouraged.

I strongly support tax reform, and have so indicated on many occasions. I have also outlined areas where I believe changes must occur. For example, I have supported the elimination of the oil depletion allowance, will support retaining deductions for contributions of medical supplies to charitable organizations, and believe that the law regarding tax shelters, municipal bonds, and capital gains must be examined.

Chairman MILLS has indicated his intention to review our tax laws during this session, and I support this critically important move. However, I will not support legislation that curtails incentives to contribute to our Nation's schools, churches, and hospitals, and I would hope that the Ways and Means Committee would not lose sight of the intent of the law in this regard when reform is ultimately considered.

SURVEY ON NATIONAL ISSUES

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. OWENS. Mr. Speaker, I recently completed a survey of the citizens of Utah's Second Congressional District. The questionnaire was filled out by over 2,000 people, many of whom attached lengthy and detailed letters expressing their views. I was impressed with the informed interest of my constituents in the issues of the day. The citizens of the Second District rated these national issues in the following order of importance:

1. Inflation,
2. Energy,
3. Impeachment and Watergate,
4. Tax reform,
5. Environment,
6. Budget,
7. Crime,
8. Congressional reform.
9. Health,
10. Foreign Aid.

The results of the rest of the questionnaire are as follows:

[ANSWERS IN PERCENT]

2. Have you made a deliberate attempt to conserve supplies? yes ---- no ---- If yes, How?	
Yes .....	97
No .....	1
Reduce temperature .....	80
Drive slower .....	92
Drive less .....	81
Car pool .....	13
Bus more .....	6
3. Have the major oil companies improperly contributed to energy shortages and high prices?	
Yes .....	81
No .....	12
4. Do you support an oil price rollback to \$7.09 per barrel of crude oil, prices controlled at present levels, or no controls at all?	
Rollback .....	51
Present controls .....	11
Uncontrolled .....	27

5. Do you feel that environmental standards should be selectively and carefully relaxed until we overcome our energy problems?

Yes .....	63
No .....	34

6. Have wage and price controls been fairly applied to all elements of the economy?

Yes .....	5
No .....	91

7. Should Congress vote to extend authority to the President to impose wage and price controls when the economic stabilization program expires on April 30?

Yes .....	28
No .....	65

8. Some feel that price controls should remain on certain industries. Which, if any, of the following do you feel should continue to operate under price controls?

Petroleum .....	52
Health .....	36
Construction .....	26
Food .....	39
None .....	30

9. Do you support a tax cut to stimulate what some feel is a sagging economy, or do you think that this would aggravate our inflation problems?

Tax cut needed .....	40
Too inflationary .....	44

10. Do you support a balanced budget even in times of sagging economy?

Yes .....	74
No .....	20

11. Do you support expanded trade with China and the Soviet Union?

Yes .....	52
No .....	41

12. Do you think that the House Judiciary Committee has been fair and responsible in handling the impeachment inquiry thus far?

Yes .....	63
No .....	30

13. Should the President and his lawyers be allowed to determine which evidence should be given to the Judiciary Committee?

Yes .....	18
No .....	75

14. Who is most responsible for the delay in resolving the impeachment question, the President or the Judiciary Committee?

President .....	59
Committee .....	26

15. I have stated that if the hard evidence clearly indicates that the President has obstructed justice by covering up serious wrong-doing by subordinates or that he committed other offenses of a very grave nature, that I will vote for a bill of impeachment. Do you agree with that decision?

Yes .....	85
No .....	12

16. Do you rate the Congress' performance as:

Excellent .....	3
Satisfactory .....	32
Unsatisfactory .....	58

LITTLE PEOPLE'S GOLF TOURNAMENT

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. FINDLEY. Mr. Speaker, young people derive great moral and physical

benefits through athletic endeavors. Some of my best childhood memories are those of time spent participating in athletic activities. Today I still play tennis as often as time permits.

You can therefore understand my considerable pleasure when the Illinois General Assembly passed a resolution honoring the Little People's Golf Championship to be held in Quincy, Ill., in June of this year.

This tournament will be the first of its kind ever held in the midwest. It is designed to foster and reward an interest in golf for boys and girls ages 3 through 16.

The Little People's Golf Championship is being supported through the generous aid and assistance of two Illinois businesses, the Pepsi-Cola Quincy Bottling Co., and the Bergman Meat Packing Co. A number of private citizens have devoted a tremendous amount of time and energy to insuring that the tournament for golfing youngsters is a success.

I am delighted that boys and girls will have this opportunity to meet and take part in this athletic adventure.

At this point, I insert in the CONGRESSIONAL RECORD the resolution of the Illinois General Assembly, commending the tournament and wishing it every success:

HOUSE RESOLUTION

Whereas, The Little People's Golf Championships, the first national tournament of its kind to be played in the Middle West, will take place in Quincy, Illinois, at Cedar Crest Country Club June 24-26, 1974; and

Whereas, The Little People's Tournament will pit golfers of ages three through 15 in six divisions for boys and six divisions for girls; and

Whereas, The Little People's Tournament will send a maximum of four of its winners on an expense-paid trip to Orlando, Fla., to compete in the 1974 International Pee Wee Golf Championships; and

Whereas, The Little People's Tournament will include a Golf Clinic to be presented by Marilyn Smith, a noted professional on the Ladies Professional Golf Association Tour; and

Whereas, The Little People's Tournament will include a flag-raising ceremony presented by the Catholic Boys High School Band; and

Whereas, Mr. and Mrs. Chuck Ryan have been named Co-Chairmen of the event and, along with Cedar Crest Country Club, all Committee Chairmen and Committee Members, are in the process of insuring that the tournament will meet with great success; and

Whereas, This opportunity for young golfers is being Co-Sponsored by Pepsi Cola Quincy Bottling Company of Quincy and Bergman Meat Packing Company of Pittsfield; and

Whereas, This opportunity for young golfers is being supported by Quincy and Quincy area residents and businesses; and

Whereas, Any opportunity for young citizens of the United States to meet and to participate in athletic endeavors is to be encouraged and applauded by the people of the State of Illinois, and especially by this House; therefore be it

Resolved, by the House of Representatives of the Seventy-Eighth General Assembly of

the State of Illinois, that we commend and congratulate Cedar Crest Country Club and its members, the Co-Chairmen, the Sponsors and all who are participating in the planning and operation of the Little People's Golf Championships at Cedar Crest Country Club June 24-26, 1974; and be it further

Resolved, that we wish all participants and officials of the tournament every success in this and succeeding events; and be it further

Resolved, that a suitable copy of this preamble and resolution be presented to Mr. and Mrs. Chuck Ryan, for acceptance on behalf of all people affiliated with the 1974 Little People's Golf Championships.

**DR. ROBERT HUBER OF UNIVERSITY OF VERMONT RECEIVES ACADEMIC HONORS**

**HON. MARGARET M. HECKLER**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mrs. HECKLER of Massachusetts. Mr. Speaker, I recently had the honor of judging the Fulton Student/Alumni Prize Debate at Boston College. One of the high points of the program was the participation of Gov. Thomas Salmon, Democrat of Vermont. Governor Salmon, a former classmate of mine at Boston College Law School, is an alumnus of the Fulton Debating Society who participated in the event in 1954 as a foremost senior debater. Such is the quality of Fulton debaters.

This year's program was distinguished by the reading of a citation dedicated to Dr. Robert Huber, retiring Director of Forensics at the University of Vermont. Dr. Huber was a most deserving recipient of The Fulton Debating Society's "Coach of the Year" Award. For nearly 30 years Dr. Huber has been recognized as a teacher among teachers, a debater among debaters. Mr. Speaker, the citation and achievements of Dr. Huber, read by Dr. Norman London, chairman of the Department of Speech and Theater of the University of Vermont, deserve widespread recognition. At this time I would like to read the citation into the CONGRESSIONAL RECORD:

**CITATION**

Robert Bruce Huber you have brought scholarship and honor to this University for close to three decades. Arriving in 1946 to found the Department of Speech and Drama you have administered, taught and advised countless numbers of students and faculty with care, concern and wisdom. Your expertise and leadership in forensics have provided national recognition for this institution and a degree of professional respect from your colleagues unequalled in the discipline. You have served your University, your State, and your Profession with diligence and zeal, while always keeping foremost among your priorities the dignity and worth of each student. We are proud to honor you—you who have done so much for us.

**WILL WE SUBSIDIZE THE SOVIETS AGAIN?**

**HON. JOSEPH M. GAYDOS**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. GAYDOS. Mr. Speaker, many of us are beginning to feel like the fellow facing his second hurricane who shouted: "Hold onto your hats, here we go again."

The reason for this is found in two news reports of recent date, both of which appeared in the prestigious business publication, the Wall Street Journal.

One was a dispatch from Moscow which quoted Izvestia, the government newspaper, as expressing official concern for the state of the 1974 spring crops in Russia which account for about 60 to 70 percent of the country's annual grain output. Izvestia added:

In the strategic regions of the Russian Federation only 21.7 million acres of Spring crops have been sown, off from 54.3 million last year.

The other news report, also from the Journal, has the National Corn Growers Association here saying that we will be "lucky" to harvest a corn crop of 6 billion bushels, up 6 percent from 1973, while present demand makes an 8 percent increase mandatory.

These items, it seems to me, are warnings of another harvest time approaching in which the Soviet Union will be into our grain tight market again and that, unless some understanding is reached right now, the American people can be taken for another hayride by our "détente diplomats" who negotiated that Russian steal of our wheat surplus 2 years ago.

Are we going to allow this to happen again? Must we grab our hats once more?

It should not soon be forgotten that, in catering to the Russian needs in 1972, our negotiators locked us into a bargain-basement price on the wheat sold, thus giving what amounted to a sizable subsidy to the Soviet Union and creating a shortage here which brought about price boosts in all grains and grain products and a severe shot of inflation generally. Indeed, the effects of that sorry deal continue to be felt to this very day.

Now, with concern being expressed over our corn crop and with the Soviet grain plantings generally below expectations, we can see coming a new phase of the Nixon administration's détente in which we may be compelled to share with the Russians in another demonstration of that vaunted new-found amity. If this becomes the case, then we had better prepare ourselves for another round of soaring food prices as feed grains account for most of the cost of meat, milk, and eggs, the very products in which the housewife has been noting some price easing lately in the supermarkets. Is the American family budget to be battered again in the Soviet interest?

It is important to remember that the

Kremlin leaders who had seemed so eagerly cooperative in 1972 suddenly cooled off toward us once Russia got our wheat and even threatened for a time to contest our efforts to bring about a settlement in the Middle East. Now they have turned friendly again, perhaps flashing a sign thereby of their concern over the coming grain harvest and their hope of making new bargain purchases here. Will we fall for this line again?

I have been provoked, and I know countless other Americans have been too, at the ironic fact that this Nation in the last Russian grain shortage crisis actually underwrote the Soviet socialistic system and its gross inefficiencies—the very system against which we maintain a back-breaking Defense Establishment for our protection. Also, it needs to be made clear that Russian grain shortages are a modern phenomenon, indeed a cruel mark of the Red failures. Before the Communists took over, the Russian people had a sufficiency of food. The Ukraine was one of the world's great grain baskets. The kulak kept his family, his workers, and his nation fed.

The commissars, of course, changed that. They purged the free farmer and introduced the collectives, and the result has been not only brutality in Russia, but a recurring inability to keep the Russian masses properly nourished. In 1972, we gave the Red regime our wheat and suffered scarcities and high prices here in consequence. I do not want this repeated in the coming summer and certainly not under the arrangements made 2 years ago when we sold our wheat at a price far under what it cost the U.S. taxpayer to have it produced.

**FINANCIAL DISCLOSURE**

**HON. FORTNEY H. (PETE) STARK**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. STARK. Mr. Speaker, I have today released a statement setting forth my income, taxes, and financial holding for 1973. I would like to take this opportunity to include this statement in the RECORD, as I strongly believe this information should be of complete public record.

The statement follows:

**FINANCIAL DISCLOSURE**

Rep. Fortney H. (Pete) Stark today released a statement of his income, taxes and financial holdings for 1973.

Stark (D-Oakland), a former banker, said "I believe a public office holder is obligated to assure the people who elected him that he is obeying the tax laws and is not using the office to advance his own financial interests."

"For this reason, I am disclosing my current financial status and will make additional information public as soon as available."

He said his 1973 income tax returns are not yet completed, but that he was granted an automatic extension to June 15 upon payment of over \$500,000 in federal taxes and \$120,000 in state taxes. He also paid more than \$146,000 in real estate taxes.

Stark's income tax figures are high, he said, because of capital gains from the sale of his interest in Security National Bank. Stark founded the bank in 1963 in a small Walnut Creek office and built it into a multimillion dollar, five branch system over a period of nine years. He sold his interest after being elected to Congress.

His 1973 income included capital gains of under \$4,200,000, congressional salary, interest income of less than \$122,200, dividends of under \$2,000, income from trusts of less than \$31,000, and miscellaneous income of about \$10,000. His financial holdings are equity in real estate holdings including a home in Washington, a home in California and commercial properties, amounting to approximately \$2,500,000; commercial paper worth \$142,000; municipal bonds worth \$350,000; common stocks with a market value of about \$170,000, and notes receivable totaling \$281,000.

He also has interests in a natural gas production venture, and a geothermal energy development operation on which no market value can be established.

He said that when his tax returns are completed he will be in a position to answer specific questions on any aspect of his financial position.

**REPRESENTATIVE RONCALLO  
CLEARED**

**HON. NORMAN F. LENT**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. LENT. Mr. Speaker, I should like to join today in welcoming my good friend and colleague, ANGELO RONCALLO, back to the House after a harrowing ordeal in which his personal integrity was assailed. A jury of his peers acquitted him, in short order, of any wrongdoing.

It is good to have Congressman RONCALLO back here in the House, and I am certain he will now resume the fine representation he has always given his Third Congressional District constituents, without the distractions that have forced him to reestablish the fact that he is a good and honorable public servant.

I know I can speak for my many Long Island neighbors in the towns of Oyster

Bay and Huntington in saying that we are delighted with the outcome.

**QUESTIONNAIRE RESULTS**

**HON. JAMES R. GROVER, JR.**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. GROVER. Mr. Speaker, I am pleased to submit for the RECORD and the interest of my colleagues the results of my annual questionnaire as compiled by a nonpartisan data processing firm.

A great number of my constituents commented at length or in brief on the subjects of the questionnaire and other great issues of the day, making the annual project an excellent vehicle for prompting exchange of views between Representative and constituent.

The results are as follows:

Question	Yes	No	Undecided	Total
1. Should President Nixon be impeached?	6,613	9,003	836	16,452
Percent	40.2	54.7	5.1	
2. Should President Nixon resign?	7,060	8,320	1,072	16,452
Percent	42.9	50.6	6.5	
3. Do you believe the fuel shortage has been contrived by large oil companies?	14,293	1,530	629	16,452
Percent	86.9	9.3	3.8	
4. Do you favor gas rationing?	3,371	12,252	829	16,452
Percent	20.5	74.5	5.0	
5. Do you favor foreign aid?	4,563	10,844	1,045	16,452
Percent	27.7	65.9	6.4	

Question	Yes	No	Undecided	Total
6. Do you favor a constitutional amendment to protect the unborn?	6,619	8,792	1,041	16,452
Percent	40.2	53.4	6.3	
7. Do you favor drilling for oil off Long Island's shore?	6,938	8,689	825	16,452
Percent	42.2	52.8	5.0	
8. Do you favor operating subsidies for railroads?	9,422	5,918	1,112	16,452
Percent	57.3	36.0	6.8	
9. Should the sewer program for Suffolk County be continued?	9,968	5,591	893	16,452
Percent	60.6	34.0	5.4	
10. Do you favor amnesty for draft evaders and deserters in the Vietnam war?	4,298	11,458	696	16,452
Percent	26.1	69.6	4.2	

**BUDGET REFORM**

**HON. RONALD A. SARASIN**

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. SARASIN. Mr. Speaker. I am pleased to have this opportunity to join my colleagues of the freshman class of the 93d Congress in their colloquy on congressional budget reform and commend the gentleman from Florida (Mr. BAFALIS) for his initiatives in arranging this special order.

The United States of America has grown to its present position as the world economic leader by utilizing the resources it had at its disposal.

It has enjoyed the luxury of continued growth and economic expansion due to a set of circumstances wherein all that was necessary to continue growth was to harness its natural gifts in an orderly fashion so as to utilize our bountiful resources.

However, as we have seen in the past few months, our resources are limited and growing continually more scarce as time goes on. This presents a new situation for the economists which they had heretofore not considered: How do we stimulate economic growth without also causing undesirably rampant inflation?

The economic tools previously used, ex-

panding the money supply, relaxing credit restrictions, increased government spending, will simply not work in this situation.

H.R. 7130, the budget reform bill, will provide America with the necessary equipment to control one major factor contributing to rampant inflation, irresponsible spending.

Over the years, the Congress has abdicated its power of the purse to the executive branch and has placed itself in a position of acting upon a budget without any real comprehensive overview or control and no limit to the final cost.

I fully support the resolution introduced by Mr. BAFALIS and my colleagues. Only through the adoption of strong and far-reaching budget reform can Congress claim to be addressing itself to its economic responsibilities.

**HUMAN RIGHTS COMMISSIONER  
ELEANOR HOLMES NORTON**

**HON. CHARLES B. RANGEL**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. RANGEL. Mr. Speaker, in the 20 years since Brown against Board of Education of Topeka we have witnessed both

advances and setbacks in the civil rights struggle. Those advances were often not dramatic—except to the individuals whose rights were being protected.

Racism is still very much alive in the North and in the South, and the fight against discrimination frequently takes place in the courtroom and in the offices of some lesser-known Government agencies. One of the leaders in this fight is Eleanor Holmes Norton, New York City's Commissioner of Human Rights. I have been privileged to work with Ms. Norton and know firsthand her commitment and her courage.

I am pleased to include the following article in the RECORD on Ms. Norton:

ELEANOR HOLMES NORTON: "I'M A NATURAL-BORN ADVOCATE"

(By Pamela G. Hollie)

She doesn't seem like the kind of woman who would plan a march on Washington, defend George Wallace, and organize a black feminist group. But these apparently contradictory activities, based on a strong belief in social justice and a dedication to the Constitution, are indeed in character for Eleanor Holmes Norton.

"It's possible to be fair without trouncing on the rights of others," says the 36-year-old lawyer who chairs New York City's Human Rights Commission. "If a person such as George Wallace is denied his rights, then it sets a dangerous precedent and others can be denied this same right," she says. Ms. Norton defended Wallace's right to speak at New York's Shea Stadium in 1968 while working

as a lawyer for the American Civil Liberties Union. "There are certain substantive principles that I believe in strongly," she says. "One is racial equality. The other is free speech."

Eleanor Holmes Norton talks fast and thinks even faster. Her mind racing, she often stops in mid-sentence to begin another thought. But while she always seems to be in a hurry, she is careful about her choice of words and enjoys debating ideas.

"Eleanor has strong beliefs and an incredible energy to get a job done," says a colleague. "She is young, black, and a very strong feminist, but most of all, she is fair."

Ms. Norton admits that she expects a lot of people—and particularly of her staff lawyers—but "that's because there's a lot to be done." The legal profession's work is increasing, Ms. Norton says, as the body of law continues to grow.

"The bar has a tradition of being ultraconservative, but beginning in the 1960s it began to question its relationship to the war, poverty, and discrimination. Civil rights, as a result, has made the most monumental changes. The courts have made civil rights into a new kind of technical legal tool—just like tort law or contract law."

Before the 1960s, Ms. Norton says, "Civil rights was a set of rather easy legal concepts set down for equal protection. But no longer. The courts have defined what states, cities, and private business must do to overcome the effect of past discrimination in such a detailed fashion that civil rights has become very exciting work. . . . Racial discrimination, this country's ancient plague, is finally and rapidly succumbing now that government has given up its timidity to use official power against systematic racial bias."

The changing law has made her job easier, she says. "With a strong body of law to back me up, I can take law and walk out there and do what I have to do."

That's just what she's done. She made no bones about her intention as head of the Human Rights Commission to change attitudes, fight for minorities, and defend women's rights. She attacked housing bills that were "segregationist in intent and effect." She opposed sex discrimination in jobs. In one sex discrimination investigation she found "virtual exclusion" of female attorneys in a New York law firm. She cited advertising agencies for poor hiring practices of minorities and set guidelines on the use of arrest and conviction records as job criteria. She attacked neighborhood blockbusting and set up guidelines to reduce neighborhood polarization. She integrated the famous "21" Club and ruled that the Biltmore Hotel could no longer bar women from the Men's Bar.

HRC's Executive Director Preston David says, "Eleanor has brought a new dimension to the commission—women's rights. This was an area that needed more emphasis. And she gets totally involved in her work and won't give up a campaign if she smells an injustice."

This has lost her the love of some. Blacks say she devotes too much energy to women's rights, a criticism she counters by saying, "The myth that somehow black women are not a part of the struggle for women's rights but belong only to the movement for black liberation cannot be. Black women are preeminently working women who have borne double oppression."

"Objectivity and fairness are essentially what I am responsible for in my job," Ms. Norton says. "If this had not been an advocacy agency with the power to enforce its decisions, I would have been wary of the job."

And while Ms. Norton is relatively pleased with her work, she also says "The part of me that is for significant change doesn't congratulate me for having a personal record in this field. The mistake people in public life make is measuring results by what they have

accomplished as opposed to what there is to be done. There's so much to be accomplished in antidiscrimination in New York that I've only scratched the surface. . . . Sometimes I find myself looking around for new couriers to probe us out of the lethargy that seems inevitably to set in after each grand try at reform."

Ms. Norton took the job with the commission because she wanted to get things done, but the job has also made her a politician. "I don't see myself as a politician," she protests. "I'm not involved in politics in the usual sense, although, to do my job effectively, I must have a sense of what New York politics is all about. Part of my job is balancing the different ethnic groups."

Eleanor Holmes Norton's fast rise to prominence, however, hasn't overpowered her. She considers her position on the Human Rights Commission a job—no more. She keeps her social engagements at a minimum and, she says, has no political ambitions (although, as a reform Democrat, she served as a George McGovern delegate at the last Democratic Convention). Some insist, however, that she has the makings of a good politician: tough, controlled, and a good judge of character.

A native of Washington, D.C., where her father is a lawyer, Ms. Norton grew up in an achievement-oriented household, knowing she would attend college. She was completing high school in 1954 when the *Brown v. Board of Education* decision desegregated schools. "I already had an awareness of what the law could do, but that decision had an emotional effect on me. I remember some teachers weeping," she says.

After high school, Ms. Norton attended Antioch because it fit her "anti-establishment sense" and it was known for its "absence of conventionalism." After graduating in 1960 she chose Yale Law School for many of the same reasons. More important, she says, "Yale had been penetrated by lawyers with a social conscience." She was also able to combine degrees, earning a Masters of Science in American Studies at Yale while she worked toward her J.D.

Ms. Norton's civil rights reputation is rooted in work with Julian Bond and the Student Nonviolent Coordinating Committee during her law school years. She served on the staff of the 1963 March on Washington and in 1964 as counsel to the Mississippi Freedom Democratic Party.

She then clerked for federal Judge Leon A. Higginbotham in New York, where she met her husband Edward, currently general counsel for the New York City Housing Authority. After clerking, she took her first job with the American Civil Liberties Union in New York, where she felt she could use her background most effectively. "There were few choices for constitutional lawyers in 1965," she says. "You don't get paid for constitutional law."

As an ACLU lawyer, Ms. Norton made her name as an impartial defender of human rights. She defended the National States Rights Party against an injunction barring them from holding a rally in Maryland and defended a Ku Klux Klan member who was facing criminal charges.

Her most noted case was the defense of George Wallace's right to free speech. "I did it because I believe in the principle of free speech, though to be truthful, there was some ironic malice afterthought as well," she says. Ms. Norton says she'll never forget the exhilaration then—of being a black woman in court with Wallace's Harvard-educated southern aristocratic lawyers. "A lot of people wondered what the impact of my defense of Wallace might have on the black community, but they loved it," she says. "You see, black people understand discrimination."

Because of her defense of Wallace, she was a bit surprised to find herself tapped for a political position in 1970. "If Lindsay knew

me at all he must have known me rather negatively," she says. "I didn't expect the appointment. A civil liberties lawyer is always fighting government. You never think of being in it."

In fact, she had other plans for her life. What those plans were was obvious when she first appeared to take her oath for the \$30,000-a-year post. She was seven months pregnant at the time. (She has since been reappointed by Mayor Abe Beame.)

As vice president of the Studio Museum in Harlem, a member of the editorial board of *Social Policy* magazine, a founder of the Task Force on Minority Law Practice, and a board member of Antioch, Ms. Norton has plenty to keep her busy outside of her work. She is also adviser to the National Black Feminist Organization, a newly formed black feminist group. "It's time that black women banded together. Because they have a movement of their own, however, does not disqualify them from the black struggle for equality," she says.

Ms. Norton lives in Harlem, five blocks from where her husband grew up. The Nortons bought the house, a three-story brownstone built in 1886, two years ago. Although she loves her work and won't think of leaving it, she admits she would also like to spend more time at home with her two children, Kathleen and John, who have a live-in babysitter.

Quizzed about black lawyers, Ms. Norton says that even though there are still isolated areas of the country where blacks fall the bar, "that is not the rule. There are now many more blacks attending law schools and many more going into every facet of legal work," she says. "It's also logical to assume that some of them fail."

Ms. Norton is not easily excitable, but the possibility that blacks in offices like her own might be selling out their own principles calls up a quick "never." "It might have been easier to sell out 10 years ago when the law was underdeveloped," she says. "Now there's no reason for it."

#### THE AMERICAN SPIRIT

### HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. LANDGREBE. Mr. Speaker, as the time approaches for honoring those who have died in the act of preserving our Nation's treasured freedom and ideals, I think it is appropriate for us all to sit back for a moment and examine our own ideals and concepts of what these brave men have given their lives for. I hope, Mr. Speaker, my colleagues will carry with them these thoughts on the "American Spirit" during the Memorial holiday weekend:

#### THE AMERICAN SPIRIT

The finest Constitution, and the greatest Declaration of Independence ever made are but phrases until they are incorporated into the practical lives of living people. And so, unless you are seeking to embody the American Spirit in your own personal life and conduct, you are no true American, even though you may have authentic Mayflower ancestry.

If you allow yourself to judge the worth of a man by anything except his character, if you discriminate against him for any reason that is outside of his own control, you are no true American. If you judge him by his parents, or his connections, or his external conditions, instead of by himself, you are no



true American. If you allow yourself to be hampered by any question of precedents or traditions, you are no true American. If you think that any kind of honest work can be degrading, or what is called *infra dig.*, you are no true American. If you would not rather be independent in plain surroundings, than dependent in luxury, you are no true American. If you allow yourself to be dazzled by any exalted office, or intimidated or hypnotized by pretentious titles or gorgeous uniforms of any kind, you are no true American. And, unless you believe that the poorest boy or girl doing chores around the farm, or playing on the sidewalk of a great city, is just as likely given the opportunity—to turn out to be the greatest soul in the nation as the child who is reared in the lap of luxury, then you are no true American.

CON ED ECONOMY EXECUTIVES  
LOSE LINEN TOWELS

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Ms. ABZUG. Mr. Speaker, on April 30, I inserted in the RECORD a letter from journalist Dan Greenberg to Chairman Charles F. Luce of Con Edison, complaining about a \$336.33 electric bill he had received for 1 month's electricity service.

Herewith is Mr. Luce's reply and Mr. Greenberg's rejoinder. Con Ed has gone so berserk that Mr. Greenberg reports a neighbor has received a bill for \$1,547.20. I leave the last word to Mr. Greenberg, who fortunately, is angry but not speechless:

APRIL 16, 1974.

MR. DAN GREENBERG,  
323 East 50th Street,  
New York, N.Y.

DEAR MR. GREENBERG: I have your letter protesting that Con Edison charged you \$336.33 for one month's service for your all-electric apartment. I have asked our billing department how come. They tell me the bill was actually for two months, but more about that later.

First, let's admit your bill is much higher than a 1973 two-month bill would have been. The principal reason it is higher, as you understand, is that our fuel costs have more than tripled in the past year. You say that's our problem. And you suggest these huge increases in fuel costs should be borne by Con Edison's 350,000 stockholders, many of them retired persons of modest means. Apart from its questionable equities, this solution would make it virtually impossible for us to sell the additional securities required to finance vitally needed facilities.

Because the law requires it, we burn the most expensive boiler fuel on the market. Most of this fuel, as we told the lawmakers when they ordered us to burn it, must come from the Middle East. We buy this oil as cheaply as possible. But still it is costing us—and our customers—\$450 million more annually than it did a year ago. This increase is more than three times our total 1973 dividend payments (\$149 million). We don't retain the amounts we bill to our customers to pay these increased fuel costs. They go to oil suppliers and the state and local governments in sales and revenue taxes.

In a sense, we are presenting the Arabic oil bill to our customers in New York City and Westchester. We are as unhappy about this as you and our other customers are. But to

put the matter in proper perspective, all the blame cannot be placed upon the Arabs. The truth is that our society already has consumed its lowest cost sources of energy and now is moving to an era of high-cost energy. It's painful, and the chances are that, long-range, our economy will never return to the "good old days" of cheap energy.

Short-range, our Company has taken all the steps we can think of to reduce fuel costs. We requested government permission to burn lower-cost coal at two generating stations; we asked the Federal Energy Office to in effect decrease the price of imported oil by adopting an oil "price-mixing" policy; we advocate legislation that will eliminate state and local "windfall taxes" on our increased oil costs. To win approval of these proposals we need the support of able journalists such as you. Instead, you limit your solutions to impish suggestions that our customers not pay their electric bills, and that we not pay our oil bills—suggestions which, if taken seriously, soon would paralyze New York City and Westchester.

Now back to your bill. Our billing people tell me the reason it was a two-month bill is that in January we failed to send you any bill at all. In February we sent you a bill based upon your estimated usage for that month only. In March, when our meter reader got in to read your meter, his reading picked up the kilowatt-hours that were unbilled in January.

Your skipped January bill was of course a mistake on our part. On the other hand, we are somewhat mystified as to why you neglected to call it to our attention three months ago. No matter, we are making a billing adjustment, enclosed herewith, which comes out to a credit of \$40.48, to give you the proper fuel charges applicable to the electric usage covered by your current bill.

You ask why your basic energy charge (\$136.14) and your fuel adjustment charge (\$160.12) did not add up to the total amount of your bill. There is a one word answer to your question—TAXES. Your \$336.33 bill included more than \$40 of gross receipts taxes and sales taxes levied by the city and the state. Of course these taxes are not the only taxes included in your electric bill. Out of every dollar you pay Con Edison, 23 cents is paid out in taxes. Another 43 cents of every dollar is paid in fuel costs. Two-thirds of your bill, then, represents taxes and fuel.

Finally, a word about the people of Con Edison. To keep your lights on, we are doing our damndest, 24 hours a day, 365 days a year, against every conceivable obstacle imposed by a turbulent urban environment and by the most complex set of siting, engineering and construction problems in the utility industry. Sure we make mistakes, too many of them, but we perform miracles, too. The very life of our city depends on our doing so.

We're working for you, Mr. Greenberg. We're all in this thing together. You need energy and we supply it to the best of our ability. You should be cheering for us, not putting us down.

Sincerely

CHARLES F. LUCE.

MAY 1, 1974.

MR. CHARLES F. LUCE,  
Chairman, Consolidated Edison Co.,  
New York, N.Y.

DEAR MR. LUCE: How nice to get a personal, perky and well-written letter from somebody as important as you. And how nice for me that many of your allegations are not only blatantly false but so easily disproved.

You say my bill of \$336.33 was not for one month's service, as your nice Mr. Deitch had assured me on the phone, but for two months. You say the reason is that "in January we failed to send you any bill at all," and that my \$336.33 bill includes "kilowatt-hours that were unbilled in January." You say you are "somewhat mystified" at why I

failed to call this to your attention three months ago.

I, sir, am far more mystified than you because, not only did you send me a bill for the period November 1, 1973 to February 1, 1974 (this period includes January in most calendars) in the amount of \$287.31, but I sent you a check for that amount dated March 8, 1974, and you know what? You even cashed it, you little devil! How I know this is that my bank cleared the check on March 13, 1974.

I can frankly think of no reason why you'd feel I had been unbilled or unpaid in January after cashing this check. Do you suppose that the same sinister forces that seem to be erasing tapes in the White House are moonlighting at Con Ed?

Or is this the occasion to ask a far more serious question: If the Chairman of Con Edison, preparing a letter for publication in a major magazine, with an entire staff of accounting and public relations employees backing him up, can actually claim in print that a bill I paid nearly two months ago was never even rendered, what does that suggest about the quality of service being given to Con Ed customers whose accounts are not under the personal scrutiny of the company Chairman? It's a mystifying question, wouldn't you agree?

As a matter of fact, speaking of mystification, here are a few more things which are mystifying me at the moment.

(1) I am somewhat mystified at why Con Ed charges an individual homeowner or apartment dweller more per kilowatt hour than it does a giant industrial plant or a huge development like the World Trade Center.

(2) I am somewhat mystified at why I and other New York customers of Con Ed "pay substantially more than Long Island residents, and a much as four times the amount paid in major U.S. cities"—this a quote from the N.Y. Post of 3/14/74. As a matter of fact, I have just learned from an attorney named Bryan Levinson, who is Chairman of the Fight Against Con Edison, and from Ted Maynard of the National Utility Service, that New York customers of Con Ed pay more for their utilities than any city in the entire world. (The second worst city, for your information, is West Berlin.)

(3) I am somewhat mystified at why Con Ed urged us all to conserve energy during the recent "energy crisis", then said we had conserved so much energy that they needed another rate increase to make up for the loss in revenue.

(4) I am somewhat mystified by an item I read in the N.Y. Post of 4/3/74, which says: "Con Edison, according to papers filed with the Public Service Commission, is charging its customers a new temporary rate increase that is nearly \$9-million higher than that allowed by the P.S.C." You say in your letter to me that our society is "now moving to an era of high cost energy," and you seem to be bemoaning this fact, and yet I have just discovered that, on top of your already outrageously high rates and the above-mentioned temporary rate increase that is probably \$9-million higher than that allowable by the P.S.C., you are, even as I write this, petitioning for an additional 30.4% rate increase on top of that! Has it ever occurred to you, Mr. Luce, that even a monopoly like Con Ed could price itself out of the market if nobody is able to pay your bills?

Since I am naive in this field, I have had to consult a lot of smart people for advice and information. Among the people I am having advise me are an offshoot of Naders' Raiders called the New York Citizen Lobby. A very smart attorney in this group named Nancy Kramer pointed out to me a fact which I hadn't realized. She says that we as consumers can't expect much help from the Public Service Commission because "the P.S.C. suf-

fers from the endemic disease of many governmental regulatory agencies—it has over-identified with those whose behavior it is supposed to be regulating."

"The consensus of those familiar with it," says Ms. Kramer, "is that the P.S.C. is totally sympathetic to the positions taken by Con Ed in almost any situation. It accepts uncritically the utility's evaluation of a situation, the data which it submits, and the conclusions drawn by it, failing to exercise independent judgment, ask searching questions, or generally look out for the interest of users. The P.S.C. has approved walloping increases for Con Ed . . . based on evidence that was unconvincing to many observers."

It is the New York Citizen Lobby's opinion, as well as the opinion of many other citizen groups and lawmakers, that the members of the P.S.C. should be elected by and made responsible to the general public and not be the politically-appointed pawns that they now seem to be. "Whenever Con Ed is attacked," says F.A.C.E. Chairman Levinson, "the P.S.C. seems to rise to its defense, and whenever the P.S.C. is attacked, Con Ed seems to rise to its defense." P.S.C. Chairman Swidler was once a consultant to Con Edison. He doesn't appear to be bending over backwards to prove his impartiality.

Ms. Kramer recently telephoned the P.S.C. and asked if they had any brochure or pamphlet to tell people how to complain to the P.S.C. about disputed Con Ed bills. The man she spoke to appeared nonplussed by her request and said, "We don't issue anything like that for the public—we already get enough complaints as it is without doing anything like that." "The implication," says Ms. Kramer, "was that if business ever fell off to such a degree that the P.S.C. staff was chronically idle and bored it might consider such an undertaking."

As a matter of fact, Mr. Luce, if a Con Ed customer feels he has been overcharged and refuses to pay his bill and receives a notice that his power is going to be turned off, there is one effective way to handle the situation: he sends a letter to the P.S.C. by certified mail, return receipt requested, stating that his bill is in dispute and demanding an investigation and/or a hearing, also demanding that the P.S.C. notify Con Ed not to turn off his power till the investigation is completed—a process which usually takes three or four months.

Well, you probably already knew that. But did you know about a friend of Bryan Levinson's who kept getting billed about twice as much as he thought he ought to be and who finally in desperation smashed his electric meter? You'll never guess what happened—a new meter was installed and it turned out that the old one was charging the guy exactly twice what he should have been charged, just as he'd suspected! Which started me to thinking: *How many of us have defective meters and don't even know it?*

Listen, I have a confession to make to you. Just after I got my \$336.33 bill it occurred to me that any company that could get away with a 400% increase in its rates might be a company I should invest in. So I bought one share of Con Ed stock. Imagine my disappointment when almost immediately my new company discontinued its dividend and the price of my stock dropped from about \$20 a share to about \$10.

Now here's something that I hope won't upset you too much, Mr. Luce. Since I am now one of your stockholders and all, my brokerage firm, Shearson-Hammill, called and read me its inter-office research department memo on our company. I quote from it reluctantly on the subject of our dividend cancellation: ". . . This is a clear indication of poor management. Chairman Luce came from a public agency where inefficiency is standard operating procedure. We expect that he will be removed and replaced with an aggressive manager from the industry. . . ."

Listen, I sure hated to be the one to tell

you that, Mr. Luce, but better you should hear it from me than on the street. To tell you the truth, I was sort of beginning to feel sorry for you, even despite your coming from a public agency where inefficiency is standard operating procedure. But then I learned what you're earning and now I don't feel so bad. It seems you were earning an annual salary of \$160,833.00 in 1973, plus a pension of \$70,836.00 per year upon retirement. (This, as you know, is an increase over your 1972 salary of \$150,000.00, in a period during which one would have hoped you'd be cutting costs instead of raising your own salary. Well, maybe you didn't raise your own salary—maybe they forced the increase on you.) I am told that in addition to all the above you are probably also earning a more or less equivalent amount of money in non-taxable expense account deals, as most executives do.

Well, it turns out you're not the only guy at Con Ed making such a bundle. The National Utility Service says that 262 execs at Con Ed earn between \$25,000.00 and \$160,000.00 a year, and that the top 47 of them earn more than your mayor or our governor. How about that!

Bryan Levinson of F.A.C.E. says he asked your Special Assistant Russell Holt how Con Ed was trimming its costs these days. Levinson says Holt replied that Con Ed was doing two main things: (1) Holt said that eight or nine of your executives' Cadillacs were being replaced with smaller cars, and that, (2) Con Ed was removing the linen towels from its executive washrooms. This, Mr. Holt termed, according to Mr. Levinson, "trimming the fat from the budget."

I am sorry as hell about the linen towels, and I sure hope that yours wasn't one of the Cadillacs traded in for smaller cars, but that got me to thinking again. Maybe you guys could have kept both the towels and the Caddies if you hadn't gone and repainted all your trucks that peppy blue color—repainting which I was told by a source who was not anxious to be identified, "cost several million dollars."

Hey, don't get me wrong—I love the blue trucks and the neat new company logo and the "Clean Energy" slogan. Still, what a price to pay, especially if it led to such hardships as paper towels instead of linen ones and, say, Oldsmobiles instead of Caddies.

You say in your letter to me "Our fuel costs have more than tripled in the past year." I am told that this is largely due to the fact that Con Ed has no incentive to shop around for better prices, since you merely pass along all your increased costs to your customers. "Con Ed," says Bryan Levinson, "is allowed to recover all 'costs' plus a profit, thus eliminating any incentive to cut 'costs.'" "Con Ed," says Arnold Feinblatt of the Community Voice, "is now permitted to pass on 100% of all its increased fuel costs to the consumer. This is not true of any other utility or similar type of public service."

In your letter, Mr. Luce, you say that I "suggest these huge increases in fuel costs should be borne by Con Edison's 350,000 stockholders, many of them retired persons of modest means." But what about these same retired persons of modest means who aren't able to pay their horrendously high Con Ed bills? As a matter of fact, I happen to know of at least two cases where an elderly retired lady of modest means and an elderly retired couple of modest means failed to pay their utility bills this past winter, had their power cut off, and froze to death.

I'm sure that upsets you as much as it does me. Here's another thing that upsets me. In a recent story by Robert Carroll in the N.Y. Daily News, headed: "CON ED OIL COST TAKES DIVE," I read the following puzzling information:

"While Consolidated Edison's electricity customers are being staggered by fuel costs that the company is passing on to them, the cost of residual oil—Con Ed's principal fuel—

has tumbled dramatically in the New York market over the last few months. According to Oil Buyers Guide, a trade journal, the New York harbor spot price of the cleanest residual oil fell from a high of \$24 a barrel in mid-December to \$12 as of April 1, a 50% drop . . . (A Con Ed) company spokesman said its average price for January was \$15.50 a barrel. Charles Luce (said) that April electric bills for its customers won't be any lower than in March . . . Luce had said that Con Ed's fuel costs had dropped and that customers would benefit by a reduction of as much as 5% in that portion of their bills related to those costs."

I thought that must have been a typographical error—your oil costs dropping 50% but our bills being reduced less than 5%, but it wasn't. Which mystifies me.

You know what else mystifies me, Mr. Luce? How come you're suddenly granting me a \$40.48 "billing adjustment"? You know why I think? Frankly? Because although all Con Ed customers are being outrageously overcharged, I seem at present to be making something of a nuisance of myself in the media, and it's becoming embarrassing to you, and maybe you thought that for forty bucks or so I'd go away. If that's what you're thinking, Mr. Luce, it's pretty cynical. Because the fact is that if I'm entitled to a "billing adjustment" of forty bucks or so, then I fully expect you to grant the same "billing adjustment" to every single one of your other customers as well. I mean why should they be penalized just because they were too polite to challenge you in public?

You say in your letter ". . . we need the support of able journalists such as you. Instead, you limit your solutions to impish suggestions that our customers not pay their electric bills, and that we not pay our oil bills. . . ." Nothing could be more impish than your suggestion that able journalists like me support a company that is charging me \$336.33 a month for electricity and that is plumping to raise that already absurd figure by an additional 30%.

"You should be cheering for us," you say in your letter, "not putting us down." Mr. Luce, here is a solemn promise: When it becomes apparent to me that cheering is in order for Consolidated Edison, I shall be the first one down on the playing field with the megaphones and the pom-poms. For now, though, I think I'll just go right on trying to save you from yourself, and to try protecting myself and my fellow consumers from your present outlandish rates and policies.

I look forward to your next letter with great eagerness.

Best wishes,

DAN GREENBURG.

P.S. Oh, by the way, my newest Con Ed bill arrived today. It covers the period from March 6, 1974 to April 22, 1974 and it's for \$311.89. Together with last month's bill, that makes a total of \$607.74 I'm not paying.

P.P.S. My next-door neighbor, Fred Lieberman, who pays his bills promptly and doesn't even have an all-electric apartment like I do, just got his newest Con Ed bill too. His average monthly bill, he tells me, has been running just under \$30. This month's bill is \$1,547.20 and it has a seven-day turn-off notice along with it.

H.R. 10294 IS A REASONABLE  
APPROACH TO LAND USE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. BROWN of California. Mr. Speaker, the House is scheduled to take up H.R. 10294 in the near future. As the

debate on this issue heats up, I think we should keep in mind that this is not a new subject, it is not only being considered in Washington, and the bill under consideration does not mark any new area of Federal intervention. We have ample precedents of the Federal Government assisting States in developing programs for the future. A recent article from the San Francisco Sunday Examiner and Chronicle described the confusion the present nonpolicies have created in the area of land use in one part of California. The key sentence in this article is:

In the long run the most reasonable way to accommodate new families would be statewide planning for new communities as well as rejuvenation of inner cities and rural towns that have been losing population.

The current mish-mash of nonpolicies is not reasonable. H.R. 10294, if adopted, would provide Federal assistance to States to fulfill a vital national need. But the turmoil in California in the vacuum of statewide land use policies is not unique to California. The issue is being debated in virtually every part of the country. We read about the effect of growth and local reactions to it from such diverse areas as Colorado, Florida, New England, Georgia, Oregon, and Maryland, to name just a few places. Local elections are beginning to turn on the question of future growth policies, and the local uses of land. The problems described in California are similar to those experienced in virtually every metropolitan area. The controversies will continue to proliferate unless we begin to deal directly with the question of land use policies. H.R. 10294 is a reasonable approach to land use.

The article follows:

**THE FIGHT TO CURE EXCESS URBAN GROWTH**  
(By Harold Gilliam)

"It takes all the running you can do to keep in the same place."—Alice in Wonderland.

"The faster we grew, the farther behind we got."—Sanford Getreu, former Planning Director of San Jose.

In San Jose, as in Wonderland, the obvious question is why not just stop?

To many developers and builders, of course, stopping growth of San Jose—and other communities that are potential San Joses—would be disaster. And they have as allies construction unions and sometimes representatives of the urban poor, who understandably feel that halting the growth of any suburban community is a means of keeping them out.

Whether a community has a right to limit its own growth is a hackle-raising issue being fought out in politics and the courts. The way the question is answered will shape the future of all U.S. metropolitan regions, and most of them are looking to the Bay Area, which leads the nation in innovative approaches to the issue. It is enlightening to see how various Bay Area communities are trying to cope with the dilemmas of growth.

Petaluma doubled its population in the 1960s and showed signs of becoming another San Jose. In 1971, after extensive civic soul-searching, the city decided to limit its growth to 500 new homes a year, with 8 to 12 percent to be devoted to lower-cost housing. Within the quota of 500, every application to build would be judged by such standards as whether the proposed development would overburden the city's existing water system, sewers, fire department, schools and streets.

As might be expected, developers took the

city to court, arguing that the plan was a violation of the constitutional right to travel and live anywhere. A federal judge agreed, maintaining that the plan excluded outsiders, particularly the poor. Despite the plan, he indicated, little low-income housing was being constructed, partly because building restrictions drove prices up.

Petaluma is appealing the ruling, and the case may go to the U.S. Supreme Court for a landmark decision that will be watched apprehensively by hundreds of American communities in similar situations.

Livermore has been going through some of the same agonies at the same time. Water, schools and sewage facilities could not keep up with a growth rate that also doubled that city's population in ten years. In 1971, angry voters passed a stop-growth initiative declaring a moratorium on building permits until the problems of water, schools and sewage were solved.

However, the Associated Home Builders took the case to court and won. The judge said, among other things, that the ordinance merely halted growth rather than attempting to solve the problems of inadequate facilities to handle the growth.

Livermore is appealing the decision. Meantime, the city is developing a new master plan that would detail ways of expanding public facilities and providing subsidized low-cost housing. New homes would temporarily be limited to 550 per year—the capacity of the present water system. Whether this strategy will avoid the Petaluma impasse only the courts can say.

Palo Alto is trying a different approach. When a developer wanted to subdivide scenic foothills west of the built-up area, the city hired San Francisco planners Livingston and Blayne to study the alternatives. The resulting report came to a surprising conclusion: It would cost less in the long run for the city to buy the foothill land and keep it open than to allow it to be developed as proposed. The subdivisions would require costly services—including schools, access streets, flood and landslide prevention measures.

**THE PLAN IS TO DECIDE WHAT LEVEL OF POPULATION GROWTH IS DESIRABLE**

But purchasing the foothill area would still be an expensive proposition, and the Palo Alto city council decided to try a less costly way of keeping the foothills open. They changed the zoning from one-acre lots to ten acres.

Irate landowners sued the city for depriving them of their right to use their land. Not so, said the city: the land could still be used for farms, golf courses, and possibly educational institutions. In answer to the complaint that the ten-acre zoning discriminates particularly against low-income families, Palo Alto says building on the hilly land would be too expensive for low-cost housing and points to its program for such housing elsewhere in the city. The courts have yet to be heard from on this one.

Marin county, like Palo Alto, is using the technique of large-lot zoning (in some cases as large as 60 acres) to maintain the rural character of the middle and western parts of the county. Marin has also used the equally controversial method of controlling growth by denying water to proposed new developments. (The June election for the Marin Municipal Water District Board may determine whether this policy continues.) The developers, of course, are suing and the courts have yet to rule.

Meantime, Marin is working on a new Countywide Plan that would provide for controlled growth in and around the cities while keeping the rural areas open. The philosophy of the plan is to decide what level of population growth is desirable, then develop water and other facilities to supply that population, rather than the usual method of expanding water and other services in a continual at-

tempt to accommodate a local population explosion that never stops exploding.

San Jose itself has belatedly moved toward growth control as a consequence of a "housewives revolt" which last year resulted in a successful ballot initiative. The measure prevents the city council from creating new residential zoning in areas where schools are overcrowded. Of course the builders have gone to court.

These cases and others are considered in detail in the new "Handbook for Controlling Local Growth," published by the Stanford Environmental Law Society, a student group at Stanford Law School. Ramapo, New York, for example, has a phased zoning plan similar to Petaluma's, but that state's highest court has approved it. One difference seems to be that the Ramapo plan ties limited growth to very specific measures for providing more schools, sewers, roads, parks and low-cost housing. But perhaps an even more important distinction is that the decisions were made by different judges, interpreting laws in different ways.

The whole field of land-use law in relation to community growth is in a state of confusion (the law, too, suffers from growing pains), and no one knows exactly what can and cannot be done. What seems to be emerging is the conclusion that a community cannot legally stop its own growth but that it can slow the growth rate, provided it has an effective plan to catch up on public facilities and low-cost housing.

Yet the critical issue would still be unresolved: At some point a community's growth must stop. New court decisions or new laws may in time catch up with the facts of life and permit a legal ceiling on community and regional growth. In the long run the most reasonable way to accommodate new families would be statewide planning for new communities as well as rejuvenation of inner cities and rural towns that have been losing population.

MALCOLM X

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. RANGEL. Mr. Speaker, yesterday, the 19th of May, would have been the 49th birthday of Malcolm Little, better known as Malcolm X.

History is showing the incisive foresight this great black man had in analyzing the human suffering of oppressed peoples around the world and their response to that oppression.

Malcolm X was a man who sincerely believed in the brotherhood among peoples of all races but he based his belief on mutual brotherhood. Many times he spoke of the need to love those who love you, but he also spoke of the need to defend yourself from those who would harm you.

He believed in the need for brotherhood among the oppressed peoples of Africa, Latin America, Asia, and America. He saw the basic necessity for human rights to supersede the ecopolitical dictates of the world powers. He had only begun to identify the possible courses of action necessary to overcome the worldwide oppression faced by the black, brown, red, and yellow peoples when he was brutally murdered on February 21, 1965.

Although his organization, the Organization of Afro-American Unity, con-

tinued after his death, the thrust that only this great man could provide left a major void in spearheading the fight for the world's oppressed peoples.

El Hajj Malek El-Shabazz, as Malcolm X was known at his death, was without question one of the most important and significant men of the 20th century.

### THE NEED FOR A BALANCED BUDGET

#### HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. ARCHER. Mr. Speaker, on Monday, May 13, the Ways and Means Committee heard testimony by Mr. Roy Ash, Director of the Office of Management and Budget, and Mr. Paul Volcker, Undersecretary of the Treasury for Monetary Affairs. Following the testimony, I asked Mr. Ash and Mr. Volcker about the budget and the problem of inflation. I expressed to them my concern about excessive Federal spending, deficit financing, high interest rates, and the continuing problem of inflation. I enter into the CONGRESSIONAL RECORD a part of that discussion:

#### DISCUSSION

Mr. ARCHER. I assume that you gentlemen believe, as I do, that inflation is the biggest problem that this country has right now.

Mr. VOLCKER. Yes.

Mr. ARCHER. And I hope you also agree that inflation is caused by government and government must do something to try to bring an end to it, primarily reduce deficit spending.

But we find gimmicks over the years to cover this up. First came the "unified budget" to make it appear that we are on a balanced budget, but actually instead of borrowing the money to cover the Federal funds deficit from the open markets and people, we are borrowing it from the Social Security trust fund, which still means we are getting it from the people, but in an indirect way.

Now we have gone to a full employment balanced budget. What will we do for enclosures when we run out on this one and still can't reach a balance?

It seems to me this is a cruel deception on the American people when the basic factor involved in inflation is deficit spending at the Federal level and deficit spending out of the Federal funds budget.

You finally have to recognize that only the Federal funds budget counts when you come up and ask for an increase in the debt ceiling, not the unified budget and not the full employment budget.

I will have to say that as a Republican I am frankly very disappointed that the Administration has not proposed a balanced budget since it has been in office. If we can't balance the Federal budget in fiscal years 1973 and 1974 when we have had the greatest economic prosperity in the history of this country, I wonder when on earth we will ever balance the budget. And if we don't do it, we can talk about escalator indexes, we can talk about wage and price control, all these other bootstrap operations and we won't solve inflation. . . .

The Congress has managed each year to exceed even that proposed by the White House. This to me is something that is so fundamental and is a governmental respon-

sibility. I wish there were more leadership from you gentlemen and certainly we need more in Congress.

Now you mention the question about interest rates. Can we reasonably ever expect interest rates to be below the rate of inflation?

Mr. VOLCKER. Not for any period of time, I don't think.

Mr. ARCHER. Aren't we kidding ourselves? If we are going to have ten percent inflation, interest rates are going to be above ten percent a year. Who is going to lend money at a rate which at the end of the year will produce less in purchasing power than they had at the beginning of the year?

Once again we artificially try to make reasons and excuses politically and otherwise to justify a lower interest rate. Once again we come back to inflation. All of what we are talking about is primarily because of inflation and deficit spending which is a direct cause of inflation.

I wish we could have—this is the longest statement I have ever made on this committee because I really believe in asking questions rather than making statements, but I think this problem is so immense and so great, in this country and the world, that somebody has to start talking about it. I don't think there is enough talk in Congress or out of the White House with respect to it and with plans to stop it.

As my colleague Joe Karth said, what is your plan to stop inflation? Your plan is to recommend a budget \$20 billion in deficit for 1975 in Federal funds. I for one cannot comprehend this, particularly when our plant capacity is what it is and we have shortages in basic materials.

I certainly would be pleased to have your comments.

Mr. ASH. I could make one comment which isn't as responsive as I know you would like, but maybe partly responsive.

Last year in the fiscal 1974 budget we did propose a number of actions to go in the very direction that you suggest. They were a combination of unilateral administration actions and those proposed for Congressional action. I must say that the response was overwhelming and I am probably the defendant in 100 lawsuits as a result.

Those proposed for Congressional action had zero Congressional action, so we had a run at it last year to move in the direction that you are suggesting. Because it didn't get us very far, we will have to try another way.

Mr. ARCHER. I think the record shows you made a lot stronger effort than the Congress and you should get credit in that regard.

### PRESIDENT J. WESLEY HAINES, OF FRANKLIN COLLEGE, FRANKLIN, IND., SPEAKS WITH WISDOM AND PERCEPTION

#### HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. BRAY. Mr. Speaker, my good friend, President J. Wesley Haines, of Franklin College in Indiana, recently spoke at the dedication of the First Baptist Church in Marion, Ind., on March 31, 1974.

I find his remarks to be refreshing and full of the insight the world needs so much, at all times. It is a pleasure to include these speeches in the RECORD:

#### IN REMEMBRANCE

Art in all its forms—poetry, prose writing, music, architecture—is not simply for art's sake. It serves a deeper function in the human enterprise: it preserves what otherwise might be lost, forgotten. Michelangelo on the ceilings of the Sistine Chapel everlastingly reminds us that we are creatures, that our glory comes from a Creator. Thomas Jefferson by forging the great second sentence of the American Declaration of Independence preserves the same deep truth for all men. And Alexandr Solzhenitsyn in his writings is insuring for humanity remembrance of the degradation to which men can sink, too.

Even trivial doggerel sometimes reminds us of our crucial individuality in our mass and massive society, as when a poet friend of mine wrote:

When I was born, they told my name,  
And when I die, they'll do the same—  
And though these facts make short recital,  
I'm glad statistics think I'm vital.

The same function is performed by this bit of verse, too:

When I pass a little church,  
I stop and pay a visit—  
So when at last I'm carried in,  
The Lord won't say, "Who is it?"

This church we dedicate today, not simply in tribute to the art and skill of architect and builder, not only because of the planning and funding of this congregation, not alone to create a structure of beauty, but chiefly to remind ourselves, our contemporaries, and those who will come after us Whose we are and Whom we serve. This we do in remembrance of Him.

George Orwell's book, "Nineteen Eighty-Four," is a classic, not because of its style, but because it reminds us of what can happen to human beings, to free men, when they forget or neglect what we dedicate today. To me, its most chilling part is Orwell's simple statement that churches, converted to other uses, were still standing in London in 1984, but none could remember what they were for.

Preachers have made famous a centuries-old, little church in England by often quoting its dedicatory plaque about "doing the best things in the worst of times."

Now, it's not hard to make a case for these being the worst of times. Some students on college campuses, long on dissent and protest and short on experience and perspective, who think the world began with their birth, can't see anything good or hopeful about our times in the U.S.A. A couple of years ago, I talked with a college student, with a Daniel Boone haircut, a Mark Twain mustache, and an Abe Lincoln beard, who said he was rejecting the past. I have a friend of maturer years who cancelled his newspaper subscription because so much news was so bad. So, he missed what I read: the letter response of a man in Lubbock, Texas who had been sent a bill or a request for a donation by the National Association of Counties:

"DEAR SIR, In reply to your request to send a check, I wish to inform you that the present condition of my bank account makes it almost impossible. My shattered financial condition is due to federal laws, state laws, city laws, county laws, mothers-in-law, brothers-in-law and outlaws.

"Through these laws I am compelled to pay a business tax, amusement tax, school tax, gas tax, sales tax, liquor tax, tobacco tax, income tax, poll tax, excise tax and thumb tax; even my brains are taxed.

"I am over taxed and am required to get a business license, car license, hunting license, fishing license, truck license, marriage license and dog license.

"My business is so governed that it is not easy for me to find out who owns it. I am

inspected, disrespected, rejected, examined, re-examined, informed, misinformed, required, summoned, commanded, demanded and compelled until I provide an inexhaustible supply of money for every known need of the human race.

"Simply because I refuse to donate to something or other, I am a miser, but if I give liberally, I'm doing it for show. If I die young the world has lost a good trading man, but if I live to be a ripe old age, I'm robbing the grave.

"I can tell you honestly that except for a miracle I could not enclose this check. The wolf at my door just had pups. I sold them and here is the money."

More seriously, I recently read an editorial: "It is a gloomy moment in the history of our country. Not in the lifetime of most men has there been so much grave and deep apprehension; never has the future seemed so incalculable as at this time.

"The domestic economic situation is in chaos. Our dollar is weak throughout the world. Prices are so high as to be utterly impossible.

"The political caldron seethes and bubbles with uncertainty . . . It is a solemn moment. Of our troubles no man can see the end."

But I read on to the comment, "this editorial was printed in an 1857 edition of Harper's Weekly."

I also read recently about "the demoralization of disappointed hopes" of the American people and this quote from a famous columnist-pundit:

"A demoralized people is one in which the individual has become isolated and is the prey of his own suspicion. He trusts nobody and nothing, not even himself. He believes nothing, except the worst of everybody and everything. He sees only confusion in himself and conspiracies in other men. That is panic. That is disintegration. That is what counts when in some sudden emergency of their lives men find themselves unsupported by clear convictions that transcend their immediate and personal desires."

Again, it seems descriptive of the current Watergate psychosis, doesn't it? But it's not. Walter Lippmann wrote that about 40 years ago in the Great Depression.

So, a little perspective keeps me from getting too uptight over the doomsayers this country and people have a way of surviving for nearly 200 years now. As Lincoln did in the Civil War, it is appropriate for Senator Hatfield to call for a National Day of Humiliation, Fasting and Prayer, but I insist on placing individual guilt on the individual guilty and not indicting a whole people, and I refuse to wear sackcloth and ashes 364 other days as if we in this country had nothing to be thankful for or nothing to celebrate.

Some seem to want to "liberate" us from all our institutions, and substitute others or nothing, but I don't want to be "liberated" from a standard of living so high that our welfare recipients would be considered wealthy in dozens of other countries. I don't want to be "liberated" from a system of government that allows everyone from intellectuals to screwballs to criticize it in the town square without fear of being hustled off to jail or deported or eliminated. I don't want to be "liberated" from a government that for all its imperfections is more responsive to its citizens than any other form of government. (I'm indebted to Jim Flebig for those phrases). It may be, as Winston Churchill said of democracy, the worst system in the world, except all the others.

If it is sinful to think, as St. Paul taught, more highly of ourselves than we ought, it is equally sinful to debase and abuse ourselves as if God had not blessed us and endowed us, as if we had no mission of hope and help for the rest of the world. Not everything

American is best, not everything American is good (only a jingo would say that), but the recent statement of our Canadian neighbor, Gordon Sinclair, is a sober and honest judgment of the balance of national deeds over misdeeds. And I think that, under God, we not only have a future, but a future we can be "bullish" about.

John W. Gardner, who once said that our country needs critics, but loving critics, recently wrote in Parents magazine:

"When this 198-year-old nation was founded, there was a Holy Roman Emperor. Venice was a republic, France was ruled by a king, China by an emperor, Russia by an empress, Japan by a shogun. Great Britain was a monarchy, tempered by the barest beginnings of democracy. All those regimes—and scores of others—have passed into history. The only government among today's world powers that stands essentially unchanged is the Federal Union put together in the 1780's by 13 states on the east coast of North America. It will survive Watergate."

While the Founding Fathers "invented" this country 198 years ago and by Declaration and Constitution gave it its essential political form, the spiritual ancestry of the American Proposition is at least 2500 years older, traceable back to Greece and Palestine. This is how Russell Davenport and the editors of Fortune magazine described that ancestry in "U.S.A., The Permanent Revolution" (1951):

"The essence of the American Proposition can be understood only against the long religious history of mankind that preceded its formulation. Man first discovered the fatherhood of God, then the brotherhood of all men in Christ; and as he grew in spiritual understanding, he was released in the custody of his own conscience, to seek good and shun evil according to his own lights. This spiritual freedom is real because man was created by God in the 'image' of God. Man carries within him something that the merely animal does not have, the divine spark, the 'image.' Since every man is thus of God, every man is equal, in the sense that no man can claim he is more important to God than any other man. The human individual thus has a special status with regard to all other things and beings on earth: he must live, and must be entitled to live, by the laws of God, not just by the laws and directives of men.

"According to the American Proposition, this special status of the individual is couched in certain Rights with which everyone is endowed. It is specifically stated in the Declaration of Independence that man is endowed with these Rights by his Creator; the Rights, therefore, are not man-made but God-made. They are 'unalienable,' grounded in the universe itself, reflecting universal laws of nature: that is to say, they are natural, not merely political, Rights. The human individual is clothed with them and no other man or group of men is entitled by God's law to strip them from him."

In fact the proposition is implicit in the account of Naboth's vineyard in 1 Kings 21. Ahab, king of Samaria, wanted to buy Naboth's vineyard next to his palace in Jezreel. But Naboth was not about to give up the inheritance of his fathers. Ahab's wife, Jezebel, plotted and executed the death of Naboth. Who was he to defy the king? What rights had he, a commoner? But Elijah, the prophet, spoke for God, and said something else. Jefferson explicated it millennia later: ". . . all men are created equal (king and commoner alike) . . . endowed by their Creator with certain unalienable rights."

These are not the first times in our national history "that try men's souls," as Tom Paine wrote at the beginning, nor are they the first times in which "the summer soldier and the sunshine patriot" show their cyni-

cism and despair. But those of us who build and sustain churches in these times remember and proclaim the first principles, and will be numbered among those who "deserve the love and thanks of man and woman" in the future.

So, I think the country will survive not only Watergate, but some austerity and adversity as well, and be the better and stronger for it. There are hazards in affluence—"too much gas, too much booze, too much money and talk and noise," as James Reston says.

Less talk, less verblage would be salutary, certainly. The Lord's Prayer has 56 words; Lincoln's Gettysburg Address, 266; the Ten Commandments, 297; the Declaration of Independence, 300. But a recent U.S. Government directive setting the price of cabbage has 26,911 words. Shortages are sometimes more beneficial than surpluses, although under shortages you do have to learn to live with limitations—like the man who wanted to endow a hospital bed in perpetuity for \$10,000. When told it would take \$20,000 to endow a bed in perpetuity, his lawyer said he had two options: endow ½ a bed in perpetuity, or endow a whole bed in ½ of perpetuity.

Now that's a joke because while we can live, and perhaps more safely, sanely, and healthfully, on halves or parts of our material abundance and affluence, we cannot live by spiritual halves. It reminds me of the story about George Kaufman and Dorothy Parker when both were acerbic wits in the famous Algonquin Club. George Kaufman was wholly Jewish. Dorothy Parker had one Jewish parent and one Gentile parent. At one meeting, someone made an anti-Semitic remark. George Kaufman said, "I'm leaving, and I expect Dorothy Parker to follow me halfway." A marriage cannot survive if man and wife are half-faithful to one another. A mind is not whole that is made up of half-truths. A house divided against itself cannot stand, as Lincoln said, half-slave and half-free. All men—or none—are created equal, however unequally born. No country, no cause, no enterprise ever flourished or achieved greatness on half-loyalty, half-dedication. In any undertaking of spirit, it requires a pledge of life, fortune, and sacred honor—the whole of each of them. You cannot serve ½ God and ½ Mammon.

Nowhere is this clearer than in the dedication of a new church—in remembrance of Him Who is the Way, the Truth, and the Life, who said we must—if at all—love God with all our hearts and souls and strengths and minds, and our neighbors as ourselves.

When I survey the wondrous cross . . .  
Love so amazing, so divine,  
Demands my soul, my life, my all.

Whatever the times, this church will remind us and all who see it of what is Best and Eternal—and in that Light, which no darkness can put out, all times are not only bearable but improvable.

#### WINDFALL PROFITS

### HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. ROUSSELOT. Mr. Speaker, the Ways and Means Committee of this Congress has recently proposed a bill which includes a formula and system for taxing what they call windfall profits of the oil and gas industries. This, in my judgment, is an impossible task. Con-

gress is not omniscient and should not attempt to dictate to the American petroleum industries what is or what is not a reasonable profit.

The current antiprofit mentality grows out of a basic failure to understand the true nature of the source and benefit of profits in our free market system. In a free market system the consumer makes a contributing decision as to whether the products and services are in fact excessive in price. The consumer, by buying from a competitive, discount supplier, can make a value judgment in the marketplace.

Robert G. Anderson recently discussed the fallacy of Government interference, and the ultimate penalty to the consumer, in an article which appeared in the May issue of a monthly publication entitled, the Freeman. Mr. Anderson states:

Once it is understood that profits and losses evolve from the changing values of consumers, it becomes obvious that abolishing windfall profits or windfall losses is impossible.

Before we in the House of Representatives vote on the oil and gas energy tax bill, I hope my colleagues will review the thoughts of Mr. Anderson and heed the warning in his article for he is correct:

#### WINDFALL PROFITS

(By Robert G. Anderson)

Of all aspects of the free market economic system, the role of profit-making by individuals is the one most subject to controversy. An air of apology seems to permeate any discussion of profit-making, even among those who generally commend the market society.

Companies seem duty-bound to defend their latest financial reports. Any increase in profits is contrasted with earlier periods of losses or "inadequate" profits. The relative smallness of profits is demonstrated in terms of capital invested, annual sales, or total wages. Public relation departments tremble over reported company success and gear themselves for the inevitable onslaught such favorable reports will bring.

Among the charges most feared is the accusation that the firm has reaped windfall profits. While "normal" profits might be tolerated, anything above so-called normalcy is invariably subject to public charges of exploitation. The implication subtly drawn is that windfall profits accrue as a result of someone else's losses. While the public might overlook small injustices, large profits are simply intolerable.

This massive assault on profitmaking reflects a belief that profits are something extra, the elimination of which would result in a general improvement in human welfare, that profits are gained at the expense of others—"unearned" and "unjust."

This anti-profit mentality stems from a failure to understand the true nature and source of profits, the integral relationship existing between profits and losses, and their basic importance to the functioning of the market system. It is a failure to understand that an attack upon profits, even excess or windfall profits, is an attack upon the market system itself.

Within the framework of a free market price system, profits show which producers have best satisfied the wants of consumers. Profits appear as the result of actions taken earlier by those producers most successful in anticipating and serving the demands of the consumer. Profits demonstrate how well a producer has employed scarce resources in

the past toward the satisfaction of consumer wants. Profits are a record of experience, a reward for satisfactory service rendered.

The process of profit-making, however, is not the same thing as the amount of profits recorded. Profits earned in the past serve as no specific guide for future productive activity, though the fact that they were earned may offer hope of future profits. Past profitable activity in a given form of production assures nothing about the future. Attempts to imitate activities that have been profitable have resulted in many business failures.

The opportunity for profit-making stems from the changing values of consumers over time, and the reflection of these changing values on prices. The individual who foresees correctly these developing changes in market prices, and acts upon his foresight, will be the profit-maker.

#### ADJUSTING TO CHANGE

If man were omniscient, or if his values were to remain static, the concept of profit and loss would not exist. But fallibility and change are part of the human condition and necessarily affect man's economic behavior.

Today's market prices are reflections of values previously held by consumers and of the production those values generated. The prices so established will be either too high or too low with respect to the market conditions of tomorrow, conditions which could only be known by knowing the future, which is impossible.

The profit-maker, however, must attempt the impossible. The uncertainty of the future overrides all human action. The fact that future prices are uncertain does not dissuade the potential profit-maker from acting.

It is this potential of profit-making that provides the entrepreneur's motivation and incentive for production. The entrepreneur identifies resources in today's market that he believes will possess a higher market value tomorrow. If his foresight about the future values of the consumers is correct, a profit can be realized. The magnitude of the profit will depend upon the degree of change in future market prices and the entrepreneurial decision to act on his foresight.

When the rise in prices is large, the entrepreneur holding the resources so affected will experience large profits. The identification of this development as excess or windfall profits has been grossly misleading. The fact that he did not anticipate the precise degree of change in prices is no basis for denying the owner of the resources his right to the gain.

The concept of windfall profit merely observes that large gains can be realized from drastic changes in consumer evaluations and their resultant impact on market prices. The owner of the affected resources experiences a dramatic and sudden increase in the value of his property. But, if consumer evaluations change in the other direction, market prices can just as suddenly and dramatically fall, causing windfall losses to the owners of resources so affected.

Windfall profits or losses simply emphasize the risk of productive activity resulting from the changing values of consumers. While the entrepreneur attempts to calculate future market conditions, he is not omniscient. An underestimate of future prices may yield him a higher profit than he had anticipated when he took productive action, but that same higher profit becomes the magnet for an influx of new competitive activity.

#### A RELIABLE GUIDE

With the profit and loss system as their guide, competing entrepreneurs decide how resources shall be directed for future consumption. Anticipated profitability attracts

the productive capital of the entrepreneurs, but the ultimate profit is determined by the actions of the consumers. The entrepreneur's astuteness in judging the consumer's demands will decide whether profits or losses are to be realized by him in the future.

A significant contributor to a smoothly functioning market is the much maligned speculator. As an entrepreneur, the speculator acts in anticipation of the changing values of consumers. His buying and selling of resources creates a more orderly market, reducing erratic fluctuations in prices, and thus holds down the magnitude and severity of gains and losses. Accurate foresight by the speculator mitigates the errors of resource pricing and the consequent large profits or losses brought on by changing consumer tastes.

Once profits are understood to evolve from the actions of the consumers, it becomes pointless to speak of profits as being "fair," "normal," "excess," or whatever.

The decision on how to allocate existing resources into future use is made by entrepreneurs on the basis of their interpretation of the consumer's actions in the market place of the future. Through a subsequent return of profits and losses to the entrepreneur, the consumer is constantly signaling entrepreneurs, as to how to direct scarce resources toward best satisfying consumer wants.

This relationship between the entrepreneur and the consumer is much like that of a revocable trust. The trustee-entrepreneur allocates resources for the benefit of the trustor-consumer, a relationship perpetuated by profits and revoked by losses. Through the signal of these profits and losses the consumer steers the producer.

The allure of profit-making is the catalyst for productive activity. Sparked by an entrepreneurial decision on the future state of the market, resources are continually being directed into hopefully productive use. The soundness of the original decision is reflected by profits or losses generated by the venture. Without some prospect that profits will substantiate the original decision, no productive activity would be undertaken. The problem of determining how resources should be allocated could not be resolved. There would be no response to the will of the consumer in the market. The market would be in a state of chaos.

#### THE FUNDAMENTAL ISSUE CONCERNS PROPERTY RIGHTS

The real controversy over the concept of excess or windfall profits evolves over who should be the beneficiary of these subsequent unanticipated changes in market prices. The fundamental issue in this controversy is one of property rights. In a free market system the entrepreneur subjects his property to risk in a productive activity in the hope of generating a profit. If his judgment of the future demand of the consumers proves correct, his property increases in value, and he profits. The extent of his gain is thus determined by the consumer. In a market system of private ownership the gains would therefore accrue to the owner of the property.

Similarly, the burden of windfall losses is borne by the entrepreneur. If he directs his property into productive activities later rejected by the consumer's changing values, he is responsible for his erroneous decision. The sudden abstention from buying on the part of the consumers causes a fall in the value of his property and a loss to the entrepreneur. Within such a market system, the entrepreneur subjects his property to risk—to the gain or loss that accrues from the changing tastes of the consumer.

The notion that windfall profits accrue at another's expense or loss is patently false. They result from the same forces that bring

windfall losses: changes in the values of consumers. Such windfalls result from future uncertainty, and should accrue to the owners who expose their property to the risks of production.

**PROFITS OR LOSSES STEM FROM CHANGING VALUES OF CONSUMERS**

Once it is understood that profits and losses evolve from the changing values of consumers, it becomes obvious that abolishing windfall profits or windfall losses is impossible. Fallibility and change are a part of our nature, and both large errors and great changes are inevitable. To deny to the entrepreneur the gains or losses resulting from such error or change does not eliminate gains or losses; it eliminates entrepreneurs, disrupts the market, and ultimately leaves everyone under the dead hand of government control.

As long as consumers continue to express their changing values in the market place, profits, anticipated or not, will continue to materialize. The only question is whether the gain in the value of the entrepreneur's property should accrue to the owner or to someone else.

When the government attempts to make itself the beneficiary of windfall profits, it can only disrupt the productive processes of the market. The natural adjustments in supply and demand that occur in the free market are hampered, and further disequilibrium develops. The consumer's urgent signal for increased production, which is the essence of windfall profits, cannot be heard or acted upon by producers to whom the market is closed. The ultimate consequence must inevitably be even higher prices for the resources involved. Thus, the expropriation of windfall profits is not only counterproductive, but also denies the sovereignty of the consumer in the structuring of society.

If the individual as consumer is to retain his personal liberty, if he is to remain the sovereign force in the structuring of society, he must be free to reflect fully his changing values in the market place. This requires that the profit and loss signal must remain unhampered. For that is the only signal to which entrepreneurs can reasonably respond.

**TRAGEDY IN THE MIDDLE EAST**

**HON. PAUL FINDLEY**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. FINDLEY. The slaughter of 21 Israeli schoolchildren at Maalot by Palestinian Arab terrorists must rank among history's most cold-blooded and reprehensible crimes.

The children were innocent, defenseless, and harmless. Their deaths served no worthy military or political purpose.

I join Members of Congress, editorial writers, and others in expressing shock and outrage at this monstrous violence.

But I am saddened to note that U.S. expressions of shock and regret at the death of innocent Arabs are rare.

The reprisal attacks by Israeli war planes on refugee camps in Lebanon caused a death toll that exceeded that at Maalot. And surely among the Arab dead were people—perhaps children—as innocent as the Israeli students.

I cannot believe that many Palestinian Arabs—determined as they are to regain their homeland from Israel—

condone the slaughter of Israeli children.

As we ponder ways to end this terrible violence on both sides, we should keep in mind that Arabs and Israelis alike are children of God.

**A BIG MISTAKE**

**HON. HOWARD W. ROBISON**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. ROBISON of New York. Mr. Speaker, last week I decried the action of the Democratic Caucus, which voted 2 weeks ago to deny the House the opportunity to consider the report of one of its own committees.

That action continues to offend me—as it has many others—including the New York Times. It is my hope that the Democratic Caucus will reconsider its action, characterized by the Times as “self-interested negativism,” so that the House can get on with one of the most important reform proposals in many years.

I commend the New York Times editorial to my colleagues of the Congress:

**LIBERALS ASTRAY**

By the time that the LaFollette-Monroney Legislative Reorganization Act passed Congress in 1946, it had been the subject of intense public controversy and of innumerable articles and editorials. For more than a year now, a committee of ten House members drawn equally from both parties has been at work on a reform proposal that—so far as the House of Representatives is concerned—would be as far reaching and as desirable as the LaFollette-Monroney Act. But in a Congress and a nation preoccupied with Watergate, this committee has done its work silently and unnoticed.

On Thursday, reform paid the price for that silence. By a narrow margin, the House Democratic caucus shelved the reorganization plan by sending it to another committee for study. The barons of the House led by Representative Wilbur Mills of Arkansas, chairman of the Ways and Means Committee, and the pressure group lobbyists know what was at stake even though the public did not.

It was not essential that the plan be submitted to the Democratic caucus. It could have gone directly to the floor as a privileged motion. But Speaker Albert and Representative Richard Bolling of Missouri, chairman of the committee that drafted the reorganization, believed that as a practical matter the reforms would not last unless they had the support of a majority in each party.

House Republicans meeting in their conference endorsed the reforms. The Democrats did not. Significantly, they did the deed in secret avoiding a rollcall vote. There is no justification for conducting public business in that devious fashion.

Labor unions and liberal Democrats who on most other days are in the vanguard of those calling for progressive change were instrumental in blocking the reforms. Since the AFL-CIO did not want the Labor and Education Committee split into two committees or the Post Office Committee abolished, it used its political muscle against the plan. Noted liberals such as Representatives Frank Thompson of New Jersey, John Brademas of Indiana, James O'Hara of

Michigan, and Phillip Burton of California would have lost cherished subcommittee chairmanships and for that selfish reason opposed the plan. It was an unseemly performance.

In theory, reform is not dead. The study committee to which the plan has been referred could resubmit it with only minor changes at the Democratic caucus in July. In coming weeks, the liberals who joined with their party's old-timers in unorthodox alliance have an opportunity to prove that they can come up with constructive alternatives rather than the self-interested negativism they have evinced thus far.

**RECOGNITION OF SMALL BUSINESS WEEK**

**HON. WAYNE OWENS**

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. OWENS. Mr. Speaker, by Presidential proclamation, this week has been designated Small Business Week. The importance of the small businessman is often overshadowed by the prominence of giant corporations, conglomerates, and big unions. It is high time to recognize the small businessman's importance in our society. Small business is vital to free enterprise; the need to keep economic power distributed among many independent decisionmaking units is fundamental to efficient economic performance.

In pure economic terms, the small businessman's impact is enormous. Small businesses encompass more than 95 percent of American business, employ more than 50 million Americans, and produce about 40 percent of our gross national product. In 1972, small business was responsible for 29 percent of total Government procurement.

Because of these valuable contributions, it is important to recognize the vital role small businessmen play and address the problems of small business which have not received adequate attention. I am concerned that much of what the Government does places special burdens on the small businessman. He is less able to absorb higher taxes, inflation, increased wage rates, excessive paperwork and tighter Federal regulations. Congress has passed a series of statutes in recent years creating mandatory environmental, consumer, pollution, health and safety standards which businesses must comply with under short-term deadlines. All of these, while having desirable objectives, seem to place a disproportionate burden on small independent firms.

The extensive contributions of small businessmen certainly merit additional attention. During this week, I think it would be a good idea for all of us to take time and consider the problems facing the small business community and resolve ourselves to correcting these ills. We must create an environment where a small businessman can improve his chances for successful operation and growth.

## OPERATION HOUSE-CLEAN

## HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. JONES of Oklahoma. Mr. Speaker, on April 27, there appeared an editorial in the Tulsa Tribune entitled "Operation House-Clean" by Jenkin Lloyd Jones. It deals with the problems in the Navy raised by the new environment resulting from the Z-grams.

Our Navy is indeed in a perilous posture at this time. In our Seapower Subcommittee hearings we were told by both the Secretary of the Navy and the Chief of Naval Operations that this year is a watershed year insofar as the construction of naval vessels is concerned. After having cut the Navy down 47 percent to 508 ships, this is the first year in which more new ships will have been authorized than retired. Recently in press interviews, the Chief of Naval Operations has said that he "is convinced that the United States has lost to the Soviet Union its ability to control the world's sealanes."

Hence it is even more important that now we take such drastic steps as may be necessary to get our Navy back into prime condition—both with respect to its ships and with respect to its personnel. This is why the Seapower Subcommittee has been holding extensive hearings on the construction and condition of our naval vessels. This is why that subcommittee is going to hold extensive hearings on the status of our shipyards, so that we will be sure that they will be able to construct the ships needed for our Navy—as well as those required for our merchant marine. This is why our Personnel Subcommittee has been concerned with all of the developments supporting our naval people.

Mr. Speaker I insert into the RECORD at this point, the editorial from the Tulsa Tribune:

OPERATION HOUSE-CLEAN  
(By Jenkin Lloyd Jones)

While Congress, the press and the courts are circling the track after the Watergate rabbit is America slipping into a condition in which it could not successfully meet the challenge of a war?

If this is true, then all other issues pale to insignificance, for there is no issue more important to a nation than its survival.

Hanson Baldwin, the distinguished military writer, has a chilling article, "Troubled Waters in the Navy", in the May issue of the revived Saturday Evening Post. He reviews the sloppiness, the indiscipline, the drugs and thefts that have reduced what only yesterday was not only the world's biggest but best navy to a pitiable state.

It is common knowledge that full-scale mutinies have been passed off as disturbances. The behavior of shaggy and dirty U.S. Navy men on shore liberty has been a scandal. It is no secret that on many ships black militants have cowed white enlisted men and officers and established a double standard of discipline in favor of themselves. The USS Kitty Hawk riot of Oct. 12, 1972 while in a combat area was probably the low point of our naval history.

The House special investigatory subcom-

mittee, headed by Rep. Floyd Hicks (D-Wash.), hit at an "environment of leniency, appeasement and permissiveness". Our Pacific fleet commander last November decried "disregard of law, order and common decency" and pointed to "unprovoked assaults by marauding gangs upon smaller groups".

This malaise has been painfully apparent in all our other military services, too, but a rogue ship is a particularly frightening thing, for it often stands alone in a vast void. Employment by our enemies of every possible device to destroy America's fighting morale is smart and understandable. What we should not tolerate are misguided actions by Americans that have the same result.

There is no question that Admiral Elmo R. Zumwalt, Chief of Naval Operations, sincerely hoped to produce a happier navy by his famous Z-grams. But when he created utter confusion in personal appearance regulations, when he stipulated that "minority affairs" officers could bypass the chain of command, and when he apparently leaped to the conclusion, without waiting for the evidence, that black rioters were victims of discrimination he did a lot to sink the navy.

Admiral Zumwalt's tenure ends this summer. We'd better find a new CNO who understands that in the navy there's no such thing as a happy mob, and no fighting effectiveness in an unhappy one.

In 1969 the U.S. Supreme Court, in a disastrous opinion, held that courts-martial couldn't try uniformed personnel for "civilian" offenses. Disorderly or criminal military men may now take advantage of the pettifoggery of radical lawyers.

Worst of all, in an effort to reach their post-draft enlistment quotas, all services lowered their standards. Only the Air Force has won the numbers game, but even there quality has suffered. The acceptance of dim-bulbs, drop-outs and delinquents on the theory that the military environment would bring them up to standard and straighten them out was a masterpiece of naivete.

There is no cause for hysteria, but there is plenty of cause for intelligent concern. Let's put it on a war games basis.

How many American aircraft carriers have misfits in U.S. uniforms theoretically sunk? How many Russian missile ships have been theoretically created by congressmen who have sought to please constituents by interfering with legitimate efforts to maintain navy discipline? How many Russian nuclear subs are permissive U.S. courts and overheated civil libertarians worth?

With the Russians building a technically-advanced navy at forced draft, staffed with able, disciplined men, the worst thing we can do is try to reach recruiting goals with good brawlers and bad fighters.

Wouldn't it be wiser to clean house with liberal bad-conduct discharges even if it means mothballing another 10 or 15 percent of our presently inadequate fleets?

The U.S. Navy needs rebuilding. It can only be rebuilt with high morale. It can only attract high quality volunteers if it is again a proudful thing. It can only retain expensive skills if good men are motivated to ship over.

A tree is saved by pruning rotten branches. If Americans want a navy they can count on, perhaps it will have to be smaller for awhile.

H.R. 8660 DESERVES SENATE  
PASSAGE

## HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. RANGEL. Mr. Speaker, I would like to bring attention to a bill currently

pending before the Senate Post Office and Civil Service Committee. The bill, H.R. 8660, was sponsored by Representative WILLIAM CLAY and passed the House on March 18. This bill calls for the withholding of city income taxes for any city having 500 Federal, judicial, or postal employees.

The need for Mr. CLAY's legislation is urgent. Urban courts are presently overburdened with cases involving failure to file city taxes by Federal employees. For their oversight, these workers have been forced to bear severe penalties and interest payments.

The following New York Times article of April 17 reflects the myriad of problems to which this legislation will direct itself. I urge the Senate committee to act promptly on this matter and the full Senate to approve it. The Federal Government's failure to withhold local income taxes must be rectified.

The article follows:

[From the New York Times, Apr. 17, 1974]

## CITY WILL WAIVE PENALTY ON TAX

(By Peter Kihss)

On appeal of two postal unions, the city Finance Administration agreed yesterday to waive a 25 per cent penalty for any Federal employees—and anyone else—who had failed to file city and commuter income taxes if he voluntarily paid up.

The amnesty will apply for the next two months, although 6 per cent interest on unpaid back taxes must still be charged by law, said Harry E. Tishelman, First Deputy Finance Administrator.

He estimated it might cost the city \$125,000 in possible penalties, on the assumption that half of the \$1-million that 28,000 postal workers are believed to owe might be voluntarily paid up.

The union leaders—Morris Biller, president of the New York Metro Postal Union, and Vincent Sombrotto, president of Branch 36, National Association of Letter Carriers—attributed the problem to Federal failure to withhold local income taxes anywhere in the country; from Federal employees; Federal and state taxes are withheld.

The union leaders reported they were backing a bill for withholding of local taxes, such as Mr. Tishelman said the city had urged for years.

The bill turned out to have been already passed by the House of Representatives March 18. It was sponsored by Representative William L. Clay, Democrat of Missouri, a leader of the Congressional Black Caucus who said the Treasury Department, Civil Service Commission, Postal Service and national administration had opposed it for years but now favored the proposal.

The bill, now before the Senate Post Office and Civil Service Committee, provides that the Secretary of the Treasury shall agree to withhold city income taxes for any city, having 500 Federal, judicial or postal employees, within 120 days of the city's request. Mr. Clay said it would thus apply to 30 cities, with 196,000 Federal employees.

Representative Clay said 196 cities had some form of income or employment tax, with 203,000 Federal employees, aside from Postal Service employees, in those cities.

In his home town, St. Louis, where there are 30,000 Federal employees, he said 21,534 court cases against Federal employees in the last four years had led to \$200,000 in fines and penalties involving city earnings taxes.

In Philadelphia, he said, Federal employees have paid \$2.615-million in interest and penalties in the last five years, including \$662,000 in the year ended last June 30.

The Finance Administration's enforcement efforts were stepped up when Federal com-



puter tapes of employe records were recently made available. The first indicated 28,000 delinquents out of 60,000 postal employes; the city is now checking the rest of 103,000 Federal workers.

So far, Mr. Tishelman said, more than \$35,000 has been paid up from more than 5,000 Federal employes since dunning letters began going out last month.

COUNTY EXECUTIVE RALPH CASO  
ADDRESSES ENERGY ALTERNATIVES

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. LENT. Mr. Speaker, on May 13, Ralph G. Caso, county executive of Nassau County, N.Y., addressed the Regional Marine Resources Council of the Nassau-Suffolk Regional Planning Board on the subject of "energy alternatives." So that my colleagues can have the benefit of Mr. Caso's well-considered remarks, I include them in the RECORD at this point:

ADDRESS BY NASSAU COUNTY EXECUTIVE RALPH G. CASO AT THE REGIONAL MARINE RESOURCES COUNCIL SEMINAR ON ENERGY ALTERNATIVES, HAUPPAUGE, N.Y., MAY 13, 1974

According to a recent survey, 88 percent of the people in a Moroccan village had heard about American lunar landings—but 63 percent of those who had heard didn't believe it.

Reports about the energy crisis in the United States sound pretty similar. Close to 100 percent of all Americans have heard about it—but a substantial majority either do not believe that it was real or else believe that it was manufactured by the oil industry to boost its profits.

There certainly were enough reasons for Americans to be skeptical. For one thing, the crisis was sprung on us practically overnight—and then it apparently ended just as quickly, as soon as gasoline prices had jumped about 60 percent and oil company profits started hitting record highs.

For a while, there was a war of words over whether the situation was a problem or a shortage or a crisis—sort of like the way that the Air Force recently changed over to using the term "precision-guided munition" instead of "smart bomb" so that the public would not think that the rest of its bombs were dumb.

But when all was said and done—and a lot more was said than was done—local governments were faced with a host of headaches that they never had before. Energy is supposed to be a federal responsibility, not a local responsibility, but, all of a sudden, the problem was dumped in our laps. Local governments had neither the authority nor the resources to solve the problem. All they could do was try to mitigate its effects on their local residents; try to see to it that people had enough fuel oil for their homes; try to insure that their areas were getting their fair share of gasoline and that industries within their jurisdictions were getting the fuels that they needed to prevent layoffs and massive unemployment.

Last summer, nobody was very worried about an energy crisis. But there were enough hints floating around, enough indications of a possibly serious problem when the weather turned colder. So, in August of 1973, I formed a county Ad Hoc Energy Crisis Committee. The committee was composed of the heads

of county government agencies and representatives of the business community—and the idea was to pool our knowledge and our resources and our know-how so that we could anticipate problems and plan ways to minimize them.

Out of that committee came, first, a number of in-house energy conservation measures that were adopted throughout county facilities. These included turning down thermostats in winter, experimenting with fuel oil atomization techniques, reducing lighting, curtailing the use of county vehicles and a computerized car pool system for county employes that gave favored parking status to people who traveled to work in car pools.

In September, Suffolk County Executive John Klein and I jointly proclaimed Nassau-Suffolk Energy Conservation Month. A major effort was made to disseminate energy conservation information to bi-county residents and businessmen. In Nassau alone, we distributed more than 500,000 copies of a leaflet entitled, "How to Save Energy and Money, Too".

When the real crunch developed in December and January, I formed an Oil and Gas Bureau and an Energy Conservation Bureau within our Department of General Services. Both zeared in on getting proper fuel allocations for our county residents and business establishments and on gathering data to make sure that we were getting our fair share.

We also set up an Energy Crisis Committee on the Economy which enlisted top business leaders and economists into an effort to gauge the economic effects of the energy crisis on Nassau County and to recommend steps that county government could take to contain the problems.

Finally, we set up park-and-ride facilities in our county parks to encourage car pooling by commuters. And, in February of this year, I proposed—and the Board of Supervisors passed—a local county ordinance establishing an odd-even, minimum-maximum-sale rationing system on gasoline. The state adopted a similar law a few days later and the length of the gasoline lines in the county dropped dramatically from an average 35 cars to only four or five.

What Nassau County did, what other local governments did, was to step into a vacuum. The only thing that might have been called a federal energy policy was an exhortation to turn down thermostats and drive more slowly and, while these measures were certainly useful, they were hardly a policy. So state and local governments had to evolve their own stopgap, local energy policies. The only thing that saved us from disaster during the energy crisis of 1974 was the combination of good luck in the weather and good sense on the part of the American people who cooperated wholeheartedly in energy-conservation programs.

A lot of people are breathing easier now in the belief that the energy crisis is behind us. But if any of these people have figured out where their gasoline and fuel oil are going to come from in the months and years ahead, they know something that the energy experts don't.

The real energy crisis is not behind us. It is ahead of us. And, if we do not do something about it, it is going to hit our nation during our lifetime and cripple it.

Let me say at this point that I am not the least bit impressed by all the rhetoric about our burning 33 percent of the world's energy even though we have only six percent of the world's population. We also produce about 37 percent of the world's goods and wealth, as measured by the Gross National Products, so without all that energy being burned here, a lot of people in a whole lot of places would be a whole lot worse off than they are now.

Yet, we still use more energy than we produce. We are still importing about 28 percent of our oil and we are still just as vulner-

able to political and economic blackmail now as we were in January. In fact, the energy crisis has forced us into a public examination of just how dependent we are on other nations for a whole list of essential items. We import more than half our mercury, zinc, bismuth, antimony, nickel and tin. We import 90 percent or more of our aluminum ore, chromium, graphite, cobalt, platinum and manganese. We import 100 percent of our coffee and natural rubber.

Obviously, we are dependent on other nations for far too many of our essential commodities, including oil. There is not much we can do about coffee and rubber. But there is something that we can do about our energy supply.

Last October, I testified in Mineola at the U.S. Council on Environmental Quality's hearing on offshore oil drilling. I was making the argument—since sustained by the council's own report—that the environmental price of offshore oil drilling was too high, especially when there were alternate sources of energy that could be developed if we made up our minds to end our reliance on fossil fuels. Among the alternatives that I mentioned was solar energy—which prompted the Council chairman to ask me, very patronizingly, if I really believed that solar energy would work. I told him that, not being a scientist, I was not giving him my opinion, but that I was willing to take the word of the National Science Foundation and the National Aeronautics and Space Administration that it would.

In the past few weeks, the head of the Atomic Energy Commission has been sharply criticized by some members of Congress for allegedly suppressing a report from her own special study panel that said that a photovoltaic cell could be produced by 1986 at a cost competitive with more familiar forms of energy. Most advocates of other forms of energy—nuclear power, for example—manage to pour scorn on solar energy proposals by focusing discussions on the most ambitious project: Converting the sun's rays directly into electricity. That may indeed be a long way off. But that is no reason to ignore the much more modest but demonstrably workable application of solar energy to heating and cooling homes, a process that now accounts for about 25 percent of our total energy consumption. The technique is already well known. It is in use in several countries. There are pilot projects underway here. This month's Readers Digest even has a story about a do-it-yourself solar heating and cooling system in Maryland that paid for itself in savings on oil within seven years. So it can be done. All we have to do is make up our minds to do it.

In my testimony before the Council, I got more raised eyebrows and knowing looks when I mentioned garbage power.

Again, I am not a scientist but I can read. In February of 1972, the Bureau of Mines—a subsidiary of the U.S. Department of the Interior which in turn seems increasingly to act like a subsidiary of the oil industry—released a report saying that solid wastes could be converted into "low sulphur oil potentially suitable for use as gasoline or diesel fuel."

If all the municipal solid wastes generated in the United States last year—130 million tons of it—were put into garbage trucks, the trucks would stretch bumper-to-bumper, three abreast from New York City to Los Angeles. And within that waste there is locked enough untapped energy to light the United States for one year.

Several cities now have plants to convert waste into energy. They range in sophistication from old-fashioned incinerators whose waste heat is used to heat and cool nearby buildings to advanced technological projects that break down the molecules in organic matter and produce oil or synthetic gas as the end product.

The State of Connecticut hopes to have a statewide regional energy recovery plan in operation by 1980. Officials there expect that the plan will save state and local governments as much as 100 million dollars in capital expenditures by turning at least 60 per cent of the solid wastes into energy or reusable material. Air pollution will be cut 80 percent and so will the amount of land needed for sanitary landfill operations.

Back in the Middle Ages, alchemists dreamed of turning base metals into gold. What an irony it would be if, instead of burying or burning our waste, we could turn it into black gold.

These are only two of the alternate additional energy sources that have been reported by reputable scientists and scientific organizations. There are others that may sound even more exotic. But there was a time when oil sounded exotic, too.

If astronomers were suddenly to warn us that they had spotted a new comet—not a fizzle like Kohoutek but a real monster from deep space—and that in 30 years it would crash into earth killing 30 million people and possibly jolt our planet out of its orbit, you can bet that we would mobilize every bit of scientific know-how in the world to figure out some way to duck it or deflect it. We wouldn't just sit around waiting for it to hit us.

Yet, that is exactly what we have been doing on energy, waiting for disaster to strike. We got a foretaste of it this year. And there is much worse to come unless we do something about it in time.

Developing new sources is one side of the energy coin. The other side is saving what we have, making it last longer, getting more out of it by using it more efficiently.

In a very real sense, the U.S. government unwittingly laid the groundwork for the energy shortage back in 1956 when it embarked on the largest peacetime public works project in history—the construction of interstate highways to foster economic growth.

By 1970, transportation accounted for 25 percent of all U.S. energy consumption—with 55 percent of that being burned in cars and 87 percent of what was burned in cars going out the tailpipe as wasted heat and exhaust.

Now I am not much of a mathematician. But I was able to figure this one out. If we use about 16 million barrels of oil a day, four million barrels are going into transportation. Of these four million barrels, 2,200,000 are going into cars—and 1,914,000 barrels a day or 13 million barrels a week or nearly 700 million barrels a year are being wasted. You can look at that another way, too. It means that you are getting only eight cents' worth of driving out of every 60-cent gallon of gas.

That is an awful waste of energy and money.

One way that state governments can reduce the waste is to require Detroit to produce an energy-efficient car. Detroit will yell and scream that it cannot be done. But if New York State passed a law saying that, after January 1, 1977, for example, no new car could be sold in the state that did not get a minimum of 20 miles per gallon while meeting stringent environmental standards at the same time, Detroit would do it and would do it fast.

Even more important than making automobile engines efficient is our commitment to mass transit. People now take their cars instead of a train or bus because their cars will get them where they want to go quicker, more conveniently and more comfortably. If mass transit could be made just as quick and convenient and comfortable, people would gladly leave their cars home.

But we need more than just mass transit in Nassau, on the one hand; or mass transit in Suffolk, on the other hand; or mass transit somewhere else. We need a regional mass

transit network. The framework for building it exists already in the Metropolitan Transportation Authority and in the Metropolitan Suburban Bus Authority that was created last year to run the bus system in Nassau. At this point in time, it would be foolish and counterproductive for any county or area to set up its own separate bus operation. It should all be brought under the umbrella of the Metropolitan Suburban Bus Authority so that we can develop a genuine regional plan.

There are other steps that state and local governments can take to save energy.

The White House Office of Emergency Preparedness estimated two years ago that readily available and easily applied energy conservation measures could cut overall national energy consumption by as much as 16 percent by 1985 and by as much as 25 percent by 1990—if we adopted them! One of the principal areas was industrial operations where there has been a prodigious waste of energy, largely encouraged by favorable electric rate structures. When industry was being pinched by rising fuel costs, it showed that it could make significant reductions, in some cases reportedly as much as 30 to 40 percent, without affecting production in the slightest. All that it took was plain common sense.

Another study has shown that if all the homes in the nation met the new FHA minimum insulation requirements, we would save about 26 percent of all the energy that we would otherwise use over the next 10 years. States and local governments should adopt insulation standards for all new structures, as California has done, and provide tax breaks and low cost loans for owners of older structures who are willing to bring them up to the standards. Along those same lines, an experimental program in energy conservation in a commercial building, carried out by General Electric and reported in the draft Environmental Plan for New York State, resulted in reducing power consumption by 35 percent.

There is an old saying that where there's a will, there's a way. And we have more than the will to master our energy problem. We have an absolute necessity.

Fortunately, we also have more than enough ways. Nobody can tell me that the nation that put men on the moon cannot lick its energy problem, especially when the alternatives are so stark.

Those alternatives were scripted into a chilling scenario for the future by Professors Lawrence Rocks and Richard Runyon of C.W. Post College in their 1972 book, "The Energy Crisis." I would like to close by paraphrasing what they said:

The first signs of the impending disaster, they wrote, would come slowly: Increases in the cost of oil and gasoline, voltage reductions by power companies during peak hours, occasional dimouts. Then, the government would begin rationing essential fuels and urging the public to give up private cars. The curtailment in the use of cars would have an immediate impact on Detroit where the auto industry would be laying off thousands of workers. Soon, the steel industry would feel the effects—and then a domino effect of factory shutdowns would sweep the nation.

Shortages of fuel and breakdowns in the transportation system would eventually cause food shortages as farmers were unable to ship their produce to populated areas. The stock market would crash. Industrial growth would come to a standstill. The government, trying to stave off total economic collapse, would have to impose rigid price, wage and profit controls. Critics of these policies would be subject to severe penalties under new antisedition laws that virtually nullified the First Amendment to the Constitution. To survive the United States would have become a totalitarian State.

Apocalyptic? Yes!

Exaggerated? Probably!

Impossible? Who knows!

Let's hope that it is. Let's do more than hope. Let's get started on doing those things that will make it impossible. Let's get started on developing a national energy policy that will let us get the most out of the energy sources that we now have and put us on the road to finding and perfecting new sources.

If that is our response to the energy crisis of 1974, it may well turn out to have been a good thing.

The Chinese character for crisis is composed of two other characters. One means danger. The other means opportunity.

The danger is clear enough. Let's not miss the opportunity.

## CONYERS MAKES RODINO PROMISES INOPERATIVE

### HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. LANDGREBE. Mr. Speaker, Congressman JOHN CONYERS has so violated standards of justice and fairness that I believe he must immediately remove himself from any further participation in the inquiry of the House Judiciary Committee. Furthermore, his public statements have been so inflammatory in character and prejudicial in tone as to have irrevocably tainted any semblance of the openmindedness which must be brought to bear on this grave and solemn inquest.

The litany of Mr. CONYERS' prejudgment is so inordinate as to raise questions in the public mind over the fairness of the current inquiry. Any delay in Mr. CONYERS' dismissal in this case would be an affront to our constitutional system.

On Monday, May 13, 1974, Mr. CONYERS was quoted as saying that he was convinced that President Nixon is guilty of at least five impeachable offenses. Mr. CONYERS said:

I don't need impeachment proceedings to help me understand that they're talking about commission of crimes. (United Press International, May 13, 1974.)

Mr. CONYERS' statement is tantamount to saying that an individual in our system of justice is not entitled to due process of law—that guilt is to be determined without a trial. Such intemperate disavowals of our system of justice cannot be tolerated and surely cannot be condoned. Any further silence in light of this conduct would make me and my colleagues a party to unconscionable procedures.

But this statement by Mr. CONYERS is not the first instance in which he has engaged in prejudicial conduct. It is but a part of a pattern of public statements and positions which threaten severely to undermine the fairness and elemental decency which must be part of the impeachment process.

Specifically, I wish to cite a statement by Congressman CONYERS quoted in the New York Times Magazine of April 28, 1974. There, Mr. CONYERS stated that his role on the Judiciary Committee was to prevent the Chairman, Mr. RODINO, from being "too damn fair." That is to

say, Mr. CONYERS, by his own admission, does not want the impeachment procedure to be an unequivocally fair procedure or one which recognizes the constraints and protections of our judicial system. How Mr. CONYERS, a lawyer, can justify such a position is not understandable nor is it in any way excusable.

One would also think that Mr. CONYERS' training as a lawyer would lead him to have confidence in the traditional American custom of solemn constitutional procedures. To the contrary, Mr. CONYERS has specifically said that "external factors are what will determine" the impeachment of the President. Talk of conscience, evidence, and constitutional factors is, in Mr. CONYERS' barnyard choice of words: "all crap."—(Washington Star News, March 17, 1974). That amounts to saying the evidence will not be weighed—a constitutional violation of the gravest magnitude.

Congressman CONYERS also attributes to his colleagues the apparent same motives to which he himself so readily subscribes. Again, as Mr. CONYERS says:

... they (the Congress) would impeach their mothers if necessary to stay in office (Harpers Magazine, May, 1974)

That is hardly the kind of high-minded judgment one would want from someone who is charged with finding facts and reporting them honestly. I categorically reject this cynical acceptance of political expediency.

Finally, and this point is perhaps more serious than all the rest, Mr. CONYERS is intimately involved in an effort to lobby his own committee and the Congress in favor of impeachment—a departure from standards of justice which, taken alone, requires his immediate removal from further participation in the impeachment inquiry.

Specifically, Congressman CONYERS' name is attached to a mass mailing sent out from the Americans for Democratic Action. In endorsing this mailing, let me observe what the Congressman now supports regarding the impeachment process. He is asking for organized public meetings, phone and letter campaigns, and personal visits to his colleagues in a lobbying effort on behalf of impeachment. He has endorsed "special media campaigns" to put the views of the ADA before the public. He has endorsed the organization of a "grass roots phone bank" to disseminate impeachment information.

This circular, to which JOHN CONYERS name is attached, closes by soliciting money for further lobbying in favor of impeachment. The Congressman's action in supporting this effort to bring propaganda pressures in favor of impeachment is so inconsistent with his role as a member of the Judiciary Committee as to place in jeopardy the cherished American notions of fair play, due process, and constitutionally recognized procedures.

I can recall so vividly that day in February when Chairman ROBINO took to the floor and made these comments:

We are going to work expeditiously and fairly . . . Whatever the result, whatever we

learn or conclude, let us now proceed, with such care and decency and thoroughness and honor that the vast majority of the American people, and their children after them, will say: That was the right course. There was no other way.

Mr. CONYERS has turned Chairman ROBINO's hopes into an empty promise of piety. JOHN CONYERS, to my great regret, has not proceeded with care, nor decency, nor fairness, nor thoroughness, nor honor. He has rendered inoperative the high promises of Mr. ROBINO. By his divisive rhetoric and unseemly endorsements, the Congressman has now earned an immediate exit from a task whose solemnity he has so clearly rejected. As difficult as it is for me to reach this conclusion, I cannot rest when such violations of our Constitution are perpetrated under the guise of a congressional inquiry.

I call on Chairman ROBINO to act without delay in remedying this intolerable and embarrassing situation on his committee. There can be no other decent or honorable course. That is the chairman's stated position—now he must fulfill the promises he has made.

#### LOVE STORY

### HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. WOLFF. Mr. Speaker, I believe that our colleagues will be interested in rereading the following article, which appeared in the New York Times on January 23, 1971.

The article follows:

#### THE FILM "LOVE STORY" IS GIVEN PRESIDENTIAL SEAL OF APPROVAL

WASHINGTON, Jan. 22.—Owners of theaters showing the film "Love Story" can post a new recommendation on their marquees tomorrow. "I recommend it—R.M.N."

Chatting informally this morning with newsmen about his State of the Union message, President Nixon said he had seen the movie in Camp David recently had enjoyed it and, the President added, "I recommend it."

However, he said, he was mildly upset at the film's profanity.

He said his wife and two daughters, Tricia and Julie, had read the book and felt the "shock of the dialogue they put in the girl's mouth."

"I wasn't shocked," the President said, "I know these words, I know they use them. It's the 'in' thing to do."

However, Mr. Nixon said, the dialogue "detracted from a great performance" by Ali MacGraw, who plays the female lead.

Discussing briefly on profanity, Mr. Nixon said that swearing "has its place, but if it is used it should be used to punctuate." If profanity is overused, he said, "what you remember is the profanity and not the point."

The President's comments on this and other subjects came during a picture-taking session when he posed with two young White House aids—Hugh Sloan, 30 years old, of Princeton, N.J., and Deborah Murray, 25, of Cleveland—who will be married Feb. 20 in Ohio.

### VICE PRESIDENT FORD ADDRESSES TEXAS A. & M. UNIVERSITY GRADUATES

#### HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. TEAGUE. Mr. Speaker, I had the pleasure to attend the graduation exercises at my alma mater, Texas A. & M. University, on May 11 and hear our Vice President address the young men and women at their commencement.

I, like many in this body, served with GERRY for many years in Congress and I have always admired and respected him. Today I admire him even more because he has been thrust into a most demanding job and he has stepped into that most important job with fervor and dignity.

I would also like to commend the new graduates of Texas A. & M. University because they were most respectful to our Vice President and they showed him every courtesy.

Vice President Ford's address was most inspiring and worth this distinguished body's attention. I recommend the address to you, my fellow Members of Congress and the general public.

The address follows:

ADDRESS BY VICE PRESIDENT GERALD R. FORD,  
TEXAS A. & M. COMMENCEMENT, COLLEGE  
STATION, TEX.

This is the third commencement address I have made in the current season, and I hope the third time is a charm instead of a strike out. Just a week ago today, I returned after 39 years to my alma mater, the University of Michigan, where just a few of the capped and gowned streakers booed me. I've been booed before at Ann Arbor, when I got off a bad pass as center. This time I decided they just weren't listening to my speech.

The next day I read that the booing was because I was defending the President of the United States for exercising his right to take his case to the people.

Day before yesterday I went to Eastern Illinois University near Chicago and I talked about corruption in government, which happens in Cook County as well as Washington, and how college students now armed with the vote ought to pitch in and clean up our political processes by participating in them. They clapped and they cheered—and I thought maybe they weren't listening to my speech either.

But the next day the news stories said I was making my sharpest attack to date on the President of the United States and trying to line myself up with those who are trying to jump off his Ship of State without exactly saying so.

Well, I had a long talk with President Nixon yesterday morning.

I told him that I've been telling as many members of the Class of 1974 as I can reach that the government in Washington isn't about to sink, that it is and will continue to be about as good as concerned and conscientious citizens make it, that the Constitutional processes are working as the Founding Fathers intended, without riot or repression, without as yet seriously weakening our strength at home and abroad.

I also told the President I was going to try again today at Texas A & M, where there are more doers than boopers.

I have also taken an extra precaution for my third commencement speech today by bringing two distinguished Aggies back to College Station with me, Commissioner Mayo Thompson of the Federal Trade Commission and the Honorable Olin Teague, my old and dear colleague in the House of Representatives and the man who made Texas A & M a household word in Washington.

Tiger Teague and the President were already Congressmen when I arrived as a green and eager freshman. Both of them took pity on me and helped me, one from the Democratic side of the aisle and the other on my own side. I can't think of any two Americans who have done more in my lifetime to further the bipartisan, or rather nonpartisan spirit of sustaining America's position of strength and leadership in the free world, whether the White House or the Congress was Republican or Democratic, and from whatever quarter the threats appeared. I hope and pray that we can continue to sustain that kind of devotion to the national interest through any political storms and struggles that may lie ahead.

Texans have always done that, as I well remember, whether it was Mr. Sam Rayburn and Senator Lyndon Johnson with President Eisenhower or my good friend Chairman George Mahon of the Committee on Appropriations of the House with whom I had the honor of serving as ranking minority member of the Defense Subcommittee for many years or with Senator John Tower in the Kennedy-Johnson years.

Even among Texans, Texas Aggies take second place to none in their patriotic contributions in peace or war. I am told that this great university contributed more officers in the two World Wars than West Point and Annapolis put together, that 80 A. & M. alumni gave their lives in Vietnam and 14 are still listed as missing in action. I am deeply glad that the service all of you may be expected to render your country can today be voluntary, constructive and in the cause of peace. But I know you can all be counted on to stand up for America. Each of you is the 12th man in this game.

We are all going to have to be 12th men. In the present mood of the Congress, there is great pressure to trim the defense budget in order to find funds for other purposes. Many of these purposes are worthy and much needed. It is tempting to vote for them in an election year and, as for defense, the Vietnam war is over for Americans, isn't it? We are moving toward more normal relationships with the Soviet Union and China, aren't we?

So who needs \$86 billion dollars for defense?

We do. Freedom and security for ours and future generations can only be won from a negotiating position of known strength and scientific superiority.

Just last week I thought I might have my first chance to vote in the Senate to break a tie on an amendment by Senator Kennedy to cut out funds for military aid we promised to South Vietnam. Unfortunately, it wasn't that close. So this Congress by majorities in both houses has forced our country to let down a small, brave ally, fighting alone now for survival.

This is only a single straw in the wind. It does not yet cut into our own military strength or future technological capability. But I am fearful it is a sign of the times. In the late 1930s when Tiger Teague was working his way through school here and I was waiting on tables at Michigan, in the middle of the great depression, Congress let our defenses dwindle and decay. And we paid for that at Pearl Harbor, at Corregidor, Omaha Beach and Iwo Jima.

Germany and Japan are today our prospering and peaceful friends, though both are troubled like other free nations with political uncertainties and ravaging inflation. But the

Soviet Union has become a vastly more competent and sophisticated competitor and challenger for world leadership, with the People's Republic of China—a nation growing at the rate of two New York cities per year—inching its way toward full membership in the nuclear-armed industrial club of major powers.

Two summers ago I was one of the first official American visitors to the mainland of China in a generation. It was a fascinating and in some ways a frightening experience. The thing that struck me and other Americans immediately was the intensity of determination and dedication which the Chinese exhibited toward the goals set by their leaders—including military power. This appeared to be mainly inspired by concern over the intentions of their Russian neighbor, but we have learned in our lifetime that enemies and allies change rapidly in this uncertain world.

When I was in my junior year at Michigan, Chairman Mao was leading the famous "Long March" of his comrades to the interior of China. When we studied current world affairs in the 1930s, we were almost oblivious to them, believing that the Western-style democracy of Dr. Sun Yat Sen was bringing China out of her long isolation and division.

I thought of this while spending almost a whole night in animated conversation with Premier Chou En Lai, a veteran of the Long March and as gracious a host as he is a tough debater. Probably the Premier thought of Congressman Hale Boggs and me as mere boys, for he and Chairman Mao have been around a long time.

But almost the only Chinese we saw who were older than ourselves were China's top echelon of leaders. The overwhelming impression one brings away from a visit to the People's Republic is that it is a country of young people. Perhaps most of my generation of Chinese perished in the long war with Japan and the Revolution that followed—I do not know, but we seldom saw them. We did see and talk to literally hundreds of dedicated and disciplined young men and women who grew up after World War II and who live by the Thoughts of Chairman Mao.

Wherever we went, to rural Commune or factory or school, we were struck by the desire of today's young Chinese to reform their society through their own resources and by their own hard work, and by their apparently total belief in and devotion to their system of government.

This was particularly true among students, although we saw only one university, and it was almost deserted. During the so-called Great Cultural Revolution, Chairman Mao decided that university students were getting too big for their britches, too far removed from the reality of the workers' and peasants' hard struggle for subsistence.

So Chairman Mao, without waiting for any act of Congress or court order or national election, simply closed up all the universities and sent the students, professors, administrators and all back to the farms and the factories and the army—the lucky ones got the army—for three or four years to learn about life as it really is.

Weighing all that I saw and learned in those weeks, I returned to my own country with renewed faith in our uniquely American emphasis on individuality and freedom. We are a new nation by Chinese reckoning even as we near our Bicentennial, and our civilization is an amalgam of many older ones, most of them young compared to China's.

Yet we can learn from one of Chairman Mao's precepts—and indeed the Romans were struggling with it when the Great Wall of China was built—that freedom and discipline are the contradictory opposites of a single entity. Neither of them should be overemphasized—both of them are essential in any society.

From the earliest records of organized

communities to tomorrow's newspaper or television talk show, human beings have made a continuous effort to find the perfect mix of these elements—discipline and dedication on the one hand; individuality and freedom on the other.

The search for proper proportion goes on not only in government but in organized groups of all sizes, in the family, and in our individual lives.

Among the ancient Greeks, the Athenians were long on freedom and the Spartans on discipline; the Spartans won the wars but the Athenians still capture our minds. Roman legions conquered their world with discipline, dedication and iron swords while the free and lawless mobs of Rome carried the Republic first to chaos, then into dictatorship.

Thereafter, the Roman world was a model of law and order but bereft of creativity and fatal for free thinkers. The Renaissance world was almost the reverse.

Whenever a society goes too far in one direction or another it is in trouble; too much discipline begets despotism, even the best of which corrodes the human spirit. Too much individuality and freedom brings disorder and anarchy in which no man can live in safety, let alone create for the common good.

You have seen these contradictory forces clash in our own lives. Youth cries for individuality and freedom; parents and preachers and professors—yes, and most politicians too—come down hard for discipline and dedication.

Without a continuous readjustment of the delicate balance between discipline and freedom, between dedication and individuality, you cannot have either a happy life or a good society.

I strongly believe that our Constitution and the traditions and institutions that have grown up under it are much better able to maintain this balance than those of the People's Republic, or of most other countries.

But I also believe that America can use a little extra measure of discipline and dedication today—not to any individual or political party—but to the enduring ideals of our country which Abraham Lincoln called "the last best hope on earth".

You at Texas A & M will celebrate your 100th anniversary at the same time the United States celebrates its two hundredth. Where once there was only endless prairie you and those who were here before you have built this impressive educational establishment—not alone impressive in buildings or in enrollment or on the football scoreboard but in your broadening intellectual challenges and achievements, your inspiring spirit and traditions.

I thank you for inviting me and honoring me with your attention—for being doers instead of boos in the finest Aggie tradition—and I leave you with the words of a well-known Congressman who left Washington and came to Texas a long time ago.

"Be sure you're right," said Davy Crockett, "and then go ahead."

As a matter of fact, I think I'll take Davy Crockett's words with me back to Washington: "Be sure you're right, and then go ahead."

Thank you, and God bless you.

#### MASSACRE AT MAALOT

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. RANGEL. Mr. Speaker, the senseless killing of 18 Israeli schoolchildren

at Maalot on May 15, 1974, again demonstrates the need for the United Nations to take strong action against all countries which harbor terrorists. The increasing use of brutal attacks against innocent people as a method of manipulating government policy must come to an end. Too many have already died, and yet these murderous attacks continue to escalate. The United Nations must take immediate steps to impose sanctions against all countries which shelter terrorists.

I am taking the liberty of placing in the CONGRESSIONAL RECORD a statement by Mr. George Meany, president of the AFL-CIO, regarding the massacre at Maalot and the need for effective sanctions against terrorism, for the benefit of my colleagues. I am sure that they will find Mr. Meany's remarks of great interest.

The statement follows:

MASSACRE AT MAALOT

AFL-CIO President George Meany today issued the following statement on the "Massacre at Maalot—Challenge and Threat to Civilized Mankind."

The wounding and killing of several scores of children by Arab gangsters at the Israeli border town of Maalot is an unpardonable crime against all mankind. This outrageous butchery of innocent and helpless teenagers must be condemned by all decent people and every civilized government.

But it is not only the Arab gunmen, the direct perpetrators of this crime, who are guilty. The Arab governments which shelter and finance these savage criminals are equally guilty.

The western and other governments which have not dared to punish such Arab terrorists—even when apprehended in their murderous crimes—share in the guilt.

The U.N. Security Council which has repeatedly displayed inexcusable prejudice against Israel, whose population has time and again been attacked by these fanatical criminals, must likewise bear much of the blame for the outrage at Maalot.

In this situation, it is appropriate to recall that, on May 9th, the AFL-CIO Executive Council stressed "its deep disappointment and disgust with the vote of the U.S. Government representative in the U.N. on April 25, 1974, condemning Israel for a retaliatory act on bases of terrorists who perpetrated the massacre, mostly of children and women in the workers' suburb of Kiryat Shamone. This resolution which has not even mentioned the massacre is utterly inhuman and unfair and will encourage the worst crimes against humanity." The massacre at Maalot was, in no small measure, an inevitable dividend of the U.S. vote cast at the Security Council under the phony flag of détente.

Last, but not least, the heaviest blame for the recurring Arab terrorist outrages lies with the Soviet rulers. It is they who have largely financed, trained, equipped and even incited the Arab terrorists whom they hypocritically hail and help as Palestinian "liberators".

It is furthermore frightening to note that the Kremlin's official news agency, TASS, had the "inside track" to scoop the world press in reporting about the conference of the leaders of the main Palestine organizations—held in Beirut on May 8th—exactly one week to the day before the massacre at Maalot—for the purpose of "formulating a unified position on the possible ways to solve the Palestine problem in the light of the situation which has developed in the near East."

I appeal to U.N. General Secretary Waldheim to brand the Maalot massacre as an outrageous crime against the ideals and aims of the United Nations Charter and the Decla-

ration of Human Rights and to rally the world organization for effective sanctions against all terrorism.

In view of the repeated recurrence of such barbarous crimes by self-styled Arab refugees, the American government would be well advised to examine thoroughly the wisdom of continuing its policy of generous support of the refugee camps which serve as shelters for bestial terrorists whose sole purpose in life is to murder innocent, defenseless Israeli children, women and men.

SOCIAL SECURITY—THE GREAT RIPOFF—NO. 1

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. CRANE. Mr. Speaker, the Federal Government prints a little blue booklet entitled "Your Social Security" which begins:

Nine out of 10 working people in the United States are now building protection for themselves and their families under the social security program.

Writing in Chicago Today, reporter Warren Shore, in an important series concerning social security, declares that:

If you believe the little blue booklet, the decision could cost you more than \$200,000 and wipe out your chances for a secure future.

The loss, Mr. Shore reports:

Is real, spendable income. It represents the difference between the protection value a wage earner gets for his Social Security payroll taxes and the value he could get himself for the same money.

According to Mr Shore, today's young worker can look forward to:

Paying at least \$1,000 a year to Social Security during the next 5 to 6 years;

Seeing the insurance value of what he buys grow steadily lower;

Paying the most during his middle years when his Federal insurance is worth least to him, and

A retirement plan which will pay him less than half than a plan he could buy on his own, if he can afford to take the benefits.

Today's young workers, Mr. Shore states, are becoming part of "a generation of victims."

Warren Shore spent several months examining the social security law. He talked to hundreds of representatives in the field as well as to insurance experts. He went so far as to set up a special computer program from which many of the figures in the important five-part series in Chicago Today are based.

I wish to share this series with my colleagues and today am inserting part 1, which appeared in Chicago Today of April 29, 1974, in the RECORD. The subsequent parts of this series will be placed into the RECORD at a later time.

The article follows:

SOCIAL SECURITY—THE GREAT RIPOFF

(By Warren Shore)

The Federal government prints a little blue booklet entitled "Your Social Security" which begins: "Nine out of 10 working people in the United States are now building protec-

tion for themselves and their families under the Social Security program."

If you believe the little blue booklet, the decision could cost you more than \$200,000 and wipe out your chances for a secure future.

The huge list is real, spendable income. It represents the difference between the protection value a wage earner gets for his Social Security payroll taxes and the value he could buy himself for the same money.

For the generation of American workers now under 45, Social Security no longer works. The today's over-45 worker may get a fair value for what he paid [since much of his tax was paid in the low-rate '40s and '50s], Social Security is actually tearing down the financial future of today's young wage earner.

Here are the startling facts:

During the last 20 years the taxes we pay for Social Security have grown a staggering 800 per cent—more than 10 times the cost of living rise for the same years.

During the same period, while the taxpayers' bill for Social Security grew from \$5 billion to \$40 billion annually, the average monthly benefit check went from \$55 to \$140—less than one-third the tax rise and always below the poverty level.

It is now possible to pay as much as \$14,602 in Social Security taxes and not be eligible for any retirement benefits at all, whether or not you work after 65.

The household in which the husband earns \$11,000 and his wife \$9,000 annually must pay \$32 per month more in Social Security taxes than the household of a \$100,000-a-year executive.

During the last 10 years Social Security payment checks have averaged half the maximum amount possible in any benefit category. The same amount of money, during the same years, paid to a private fund would have provided twice the government maximum in any benefit category.

The Social Security restrictions against earning more than a poverty wage [\$2,880 per year] while drawing benefits remain in full force until age 72, when more than 99 per cent of Americans are either fully retired or dead.

More than half of all American tax payers pay more to the Social Security Administration than they pay in income tax, and the percentage is growing.

How could the system, called "a ray of hope" in 1937 when it was enacted, have become what University of California economist Peter Somers recently termed "the biggest single roadblock to the security of the American wage earner"?

The answer is that Social Security has not done any of what it set out to do.

Designed to act as a "financial cushion which would encourage saving to supplement it," the opposite has resulted. The system now takes so much from the U.S. paycheck that saving is discouraged.

Intended to help the low-income worker, Social Security is instead paying maximum benefits to those who can afford not to work and a reduced benefit to those who must work.

Consider savings first. During the 1940s, when Social Security was in its early years, the amount collected in taxes represented only a small percentage of what Americans could afford to save out of their pay.

According to census and financial data, in 1942 the average American household, after all tax deductions and living expenses were paid, could afford to put \$767 in the bank.

During that year, for every \$100 an American could afford to save, \$3.70 was being taken out of U.S. payrolls by the Social Security Administration for the retirement fund.

Then began the silent squeeze. By 1945 Americans were earning more but Social Security was taking more and taking it

faster. Average household saving dropped to \$740 a year. For every \$100 we could afford to save, \$4.30 was taken from pay-rolls.

In 1948 Social Security took \$12.60 for every \$100 we could save. By 1950 the payroll bite had grown to \$20.40 for every \$100, and by 1955 it was \$36.20 for every \$100 in household savings.

The tax that was supposed to encourage saving continued to grow faster than Americans could afford to save. In 1960 average yearly household saving in the richest country in the world had slumped to \$320—a dismal 140 percent drop in 18 years.

That year Social Security took \$63.90 for every \$100 we still had left. And still the tax was growing bigger.

Last year was the worst in history. Even tho the average American household was saving at slightly above 1945 levels, the Social Security Administration took \$84 for every \$100 we saved.

Professor Milton Friedman, a University of Chicago economist, has termed the last 20 years of Social Security "a crushing defeat for the average wage earner."

"Where is the incentive to save," Friedman asks, "when such a huge proportion of that saving is confiscated for a retirement plan a younger worker could buy for one-third of the price?"

All the examples cited include only the amount of Social Security tax earmarked for retirement and death benefit checks. Billions more are taken to finance other federal insurance plans.

What have we bought for an increase in "premiums" equal to six times private insurance increases?

"Pitifully little," says a spokesman for the Illinois Department of Insurance. "If a private insurance company attempted to sell a plan in Illinois which cost so much and paid so little, we would drum them out of the state as frauds."

Nor is Social Security going to stand still. Beginning this year, no more congressional votes are needed to raise Social Security taxes. The hikes will come automatically from now on, tied each year to cost of living increases.

Today's young worker can look forward to: Paying at least \$1,000 a year to Social Security during the next five to six years;

Seeing the insurance value of what he buys grows steadily lower;

Paying the most during his middle years when his federal insurance is worth least to him; and

A retirement plan which will pay him less than half than a plan he could buy on his own, if he can afford to take the benefits.

He will become, in short, part of a generation of victims.

#### CHROME STOCKPILES SHOULD NOT BE DRAWN DOWN AS REQUESTED

### HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. BENNETT. Mr. Speaker, after hearing the testimony before the stockpile subcommittee of the House Armed Services Committee I have come to the conclusion that the legislation to do this should be defeated.

Chrome deposits in this country are minimal. Perhaps a 5-year supply of these deposits exist in the United States, if they could be economically extracted;

this is not now the case. Nine hundred thousand tons of such domestically extracted deposits now exist in the stockpile; and these have been already exhausted and available for purchase for approximately 10 years. No one has expressed an interest in purchasing these low-grade extractions at what the Government paid for them in the first place.

The United States is, therefore, dependent upon imports from Russia and South Africa and a few other producers; and most comes from Russia. It would therefore seem to be the better part of wisdom not to dispose of the unreleased chrome stockpiles. Even if the domestic ores could be extracted economically they would be exhausted in 5 years. It would seem wiser to hold on to the chrome stockpiles under the circumstances since they are essential to national defense. They are also essential to other aspects of health and industry in this country.

There are many nonessential heavy consumers of chrome in the country; and it may well be that the use of chrome for some of these objectives should be prohibited in the interest of national defense; but in the absence of such regulations the defense needs are greatly imperiled at this time.

There are other cogent reasons for defeating this legislation. The most fundamental one is that the administration has not shared with Congress the reasons for assumptions of availability of this ore for defense purposes in a time of war and absent such information Congress is in no position to adequately assess the assumptions or to pass legislation based upon them.

These assumptions are set by the National Security Council, which is composed of the President, Vice President, Secretary of Defense, and the Secretary of State. With the exception of the President and Vice President the others are appointees of the President. If the one man independent of the President, the Vice President, should differ, the President himself would still have his way without the input of impartial objective criticism even on an administrative level, to say nothing of assistance from Congress. Under these circumstances Congress cannot adequately do its job in evaluating whether these assumptions will allow the enactment of legislation to draw down the stockpile under present circumstances.

Quite apparently there is involved in the assumptions a decision that civilian consumption in wartime can be eliminated to the extent assumed. Sometimes things not apparently needed by civilians are found essential to running the general economy of the country in times of shortages. The country could not fight a war effectively with a collapsed domestic economy even if some aspects of the economy might not seem essential in fighting wars.

Since the assumptions were made in April 1973, there have transpired a number of events of importance. The energy crisis in the United States surfaced an adverse attitude among even friendly oil-producing nations and even when

they did not have a monopoly. It demonstrated the ability of such nations to band together or to act unilaterally to deprive the United States of adequate supplies. As an indication of what is in the wind, the Washington Post of May 17, 1974, carries a revealing story entitled, "Jamaica Plans 500 Percent Boost in Bauxite Taxes." The United States gets 60 percent of its bauxite, the basic ore for aluminum, from Jamaica and there is very little in the United States.

The President, in his message to the Congress on January 30, 1974, said in discussing oil and minerals shortages, that—

It is imperative that we review our current and prospective supply of other basic commodities. I have, therefore, directed that a comprehensive report of policy analysis be made concerning this crucial matter so that governmental actions can properly anticipate and help avoid other damaging shortages.

Again, the President, in his fiscal year 1975 budget message to the Congress, said:

The adverse impact of the energy shortage on the economy could be aggravated by shortages of other raw materials. A comprehensive study on supplies of metal ores and other basic resources and our needs for them is now underway. This study will help ensure that our policies properly anticipate potential problems.

Even before this, Secretary of the Interior Rogers C. B. Morton issued a similar statement on December 28, 1973, in which he expressed concern about potential interruptions of U.S. supplies of strategic and critical materials, and he said at that time:

The present energy crisis resulted partially from a cutoff of crude oil from Arab countries. To protect the United States from similar actions which mineral-exporting nations might take, I am directing Departmental officials to undertake affirmative action to evaluate our minerals position and to take all action available to assure U.S. supplies.

Secretary Morton stressed at that time that the National Commission on Materials Policy, on which he serves, in its June 1973 report, recommended that the United States decrease and prevent wherever necessary a dangerous or costly dependence on imports.

The Honorable JOHN SPARKMAN, Chairman of the Joint Committee on Defense Production, U.S. Senate, wrote our committee specifically about chrome on March 8, 1974 as follows:

As to metallurgical grade chromite, it is reported that no chromite has been mined in the United States since 1961. Estimates developed by the committee staff in past years indicated that the cost of producing chromium from chromite mined in the United States could be 4 to 5 times the domestic market price. In view of the fact that chromium is a high temperature material, and it is understood that the only known substitutes for high temperature materials would be other high temperature materials, and the United States was dependent on Russia for about 34% of the chromite consumed in the United States in 1972, the reduction of the objective to less than 16% of the former objective appears to provide an excellent example of the willingness of the Executive branch to rely heavily on foreign sources of supply or unrealistic estimates of

domestic production for meeting military and civilian requirements.

Comptroller General of the United States Elmer B. Staats, appearing for the General Accounting Office, an agency independent of the administration and being an arm of the Congress itself, in an appearance before a joint hearing of the Senate Committee on Commerce and the Senate Committee on Government Operations, April 29, 1974, had the following to say:

In view of the world resources outlook and the fact that the purpose of the stockpile is to accumulate and retain materials for use during a national emergency, we believe that the basis for the newly established objective for materials in the stockpile should be reevaluated. While this reevaluation is being made, we believe disposal of materials from the stockpile should be halted.

In the hearings of our committee just concluded, the witness for the Department of Defense specifically said that the Department of Defense has asked in 1974 for a restudy of the stockpile situation as to critical defense materials. He said that he did not know what had happened to that request.

Mr. Werner Grosshans, who appeared for the General Accounting Office before our committee in its hearings, commented adversely on H.R. 9958, the bill before the subcommittee, and in his prepared conclusions before the committee stated:

It is apparent that we must, as a Nation, ascertain our materials requirements and our strategies for coping with shortages.

Part of the overall requirements determinations should be national defense considerations. Assumptions developed without considering the current world situation obviously need reconsideration.

Until the above planning has been accomplished—which would include the possible needs for stockpiled material—it does not appear prudent to enter into a disposal program based on current assumptions.

These observations by the General Accounting Office and by others from whom I have quoted, including the President, indicate that the question of drawing down our present stockpile should not be approached without considering domestic consumption as well as strictly defense needs.

Mr. E. F. Andrews, who appeared before the subcommittee on behalf of the American Iron and Steel Institute and the Tool and Steel Industry Committee, stressed the need for economic stockpile considerations as a part of our total defense position. It was with such thinking in mind that I introduced H.R. 13444, a bill to provide that economic consideration be given in the defense stockpile situation.

In view of all the above, I am vigorously opposed to the passage of H.R. 9958, or any other piece of legislation which would at this time draw down stockpiles of essential and critical defense commodities without further in depth studies. In the case of chrome we have an outstanding example of the folly of such a procedure, since we are so dependent on Russia for our source of supply.

## MINORITY VIEWS ON H.R. 14225, REHABILITATION ACT AMENDMENTS

### HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. LANDGREBE. Mr. Speaker. H.R. 14225, the Rehabilitation Act Amendments, is scheduled for the floor tomorrow, Tuesday, May 21. Due to the hurried manner in which this legislation is being rushed to the floor, the committee report may not be available before Members are required to vote on it. Therefore, I am inserting here the minority views I filed with the committee report:

MINORITY VIEWS BY MR. LANDGREBE  
ON H.R. 14225

This bill is another example of the gross irresponsibility exhibited by the Committee on Education and Labor.

There were no hearings on H.R. 14225 and no consideration or mark-up by the Subcommittee on Select Education, to which the bill had been referred. Committee members were notified late Monday, May 13, that H.R. 14225 was being added to the schedule of the full committee for the next day. On Tuesday, the bill was hurriedly considered and passed. I now (May 17) understand that it is scheduled for consideration under suspension of the rules on May 21.

Obviously this bill is being railroaded through committee and, its proponents hope, through Congress. Why?

Undoubtedly to cover up Section 2, which transfers the Rehabilitation Services Administration from the Social and Rehabilitation Services to the Office of the Secretary of the Department of Health, Education and Welfare. This provision was contained in S. 7 last year which passed the Congress, was vetoed by President Nixon, after which the Senate sustained the President's veto. One of the major reasons for the veto of S. 7 last year was the fact that it contained a provision similar to Section 2 of H.R. 14225.

Now, the Committee on Education and Labor has rammed this bill through Committee without the courtesy of any proper consideration. Next Tuesday the Committee hopes to ram the bill through the House under suspension of the rules, in order to avoid the kind of embarrassing situation faced last year when the Rehabilitation Act of 1973 succeeded in becoming law only after the provision removing the Rehabilitation Services Administration from the S.R.S. and placing it directly under the Secretary of Health, Education and Welfare had been deleted.

There are, of course, many good reasons for allowing the structure of the Department of Health, Education, and Welfare to remain as it is at present. Secretary Weinberger enumerated several of these reasons in a letter addressed to Chairman Perkins received May 14. The fact that the letter stating the Administration's position on H.R. 14225 was not received until the day the full committee voted to pass the bill, May 14, indicates the discourtesy of the Committee in giving the Administration such advance notice. I am attaching Secretary Weinberger's letter to Mr. Perkins, but I wish to emphasize some of the points he makes and add a few of my own.

The Secretary objects strongly to the transfer of the Rehabilitation Services Administration because it would disrupt the internal functioning of his Department and create a situation in which management decisions could not rationally be made nor

efficiently executed. The Secretary emphasizes that the programs handled by S.R.S. are not only compatible with but complementary to the functions of the Rehabilitation Services Administration. This is in striking contrast to the view stated in the Committee Report that "the Social and Rehabilitation Service, which is made up primarily of welfare programs is not a suitable home for the rehabilitation program which focuses on developing potential." Apparently we are to conclude from this comment that the welfare programs are not focused on "developing potential." But I suspect that this alleged incompatibility between the two programs is merely the cover rationalization for the relocation of the R.S.A. within the Department of Health, Education, and Welfare. The real reason for placing it directly under the Secretary's office would be to give its bureaucratic functions, and not its functions in serving the handicapped, greater emphasis.

It is neither the best interests of the clients of this vocational rehabilitation program nor the best interests of the American taxpayers that this transfer will further; it is only in the interests of those who wish to add new spending capacity to the R.S.A. in order that they might spend, spend, spend, inflate, inflate, and elect, elect, elect.

I urge that H.R. 14225 be defeated by the House and that this drive to reorganize the Department of Health, Education and Welfare be repelled.

EARL F. LANDGREBE.

Following is Secretary Weinberger's letter.

THE SECRETARY OF HEALTH,  
EDUCATION, AND WELFARE,  
Washington, D.C., May 14, 1974.

HON. CARL D. PERKINS,  
Chairman, Committee on Education and  
Labor, House of Representatives, Wash-  
ington, D.C.

DEAR MR. CHAIRMAN: I am writing concerning H.R. 14225, a bill "to amend and extend the Rehabilitation Act of 1973 for one additional year," which your Committee will consider today. I wish to voice my strong objection to section 2 of that bill, which would provide for the transfer of the Rehabilitation Services Administration (RSA) to the Office of the Secretary.

The primary basis for my objection is that such a provision, if enacted, would seriously limit the Secretary's ability to make essential management decisions as to the best way to marshal the Department's resources based on his evaluation of its missions and capabilities.

In addition, in my view the separation of RSA from the Social and Rehabilitation Service (SRS) would be particularly unwise due to the commonality of purpose shared by the vocational rehabilitation program and other SRS programs, which has led to a close working relationship between them. For example, vocational rehabilitation shares two common goals with the social services program—increased self-sufficiency and self-support. To achieve these goals, these two programs frequently interact closely, to the added benefit of the disabled person pursuing his rehabilitation goal. Day care services, for example, enable disabled parents, who might otherwise be unable to leave their homes and children, to pursue their vocational rehabilitation programs. Such interaction and coordination is clearly enhanced by grouping the vocational rehabilitation program in SRS with other programs sharing related goals and would be seriously disrupted by separating them.

Also, this would be a particularly bad time to transfer RSA for two reasons. First, RSA is now in the final stages of preparation for the implementation of the Rehabilitation Act of 1973. Regulations, which have benefited from the rigorous evaluation and input

by the House and Senate Committee staffs, will be published for public comment in the next few days, and contracts for special studies are being met. This process of implementation, which is now at such a crucial stage, would be seriously crippled by the inevitable disruption that the transfer of RSA would cause. In addition, the Office of Human Development in the Office of the Secretary, which would be the only logical component in which to place RSA, is only a little more than a year old. In that year it has assumed, as you know, many crucial new responsibilities, and it is still developing its capacity for effectively carrying them out. This process of development would be seriously threatened by the assumption of an operational program of such major proportions as the vocational rehabilitation program.

I hope that you and other members of your Committee give the above objections your very serious consideration and delete section 2 from H.R. 14225.

With regard to the remaining provisions of the bill, which would extend the Rehabilitation Act of 1973 through fiscal year 1976, I would suggest an additional provision extending the deadline of some of the studies mandated by that Act. Due to the importance and complexity of these studies, it will be necessary to allow additional time for their completion in order to produce the desired results. For example, section 130 of the Act requires that a comprehensive service needs study be completed by February 1, 1975. We estimate, however, that we will not be able to complete a study of the high quality desired before September 30, 1975.

Sincerely,

CASPAR W. WEINBERGER,  
Secretary.

#### TAX EXPERT SUPPORTS AMENDMENT TO CONVERT FOREIGN TAX CREDIT FOR OIL COMPANIES INTO DEDUCTION

### HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. VANIK. Mr. Speaker, in February 1973, the House Ways and Means Committee heard testimony from a panel of experts on the proper tax treatment of oil and gas companies.

During the testimony, George Washington University Professor of Law, J. Reid Hambrick, commented on the foreign tax credits claimed by oil companies. The following is the professor's testimony in support of repealing the credit for this industry:

Foreign tax credit. Another prominent area where a very generous double benefit is handed out to the oil and gas industry is foreign oil production.

Unlike the situation in the United States where the landowner typically owns the mineral rights under his land, in most foreign countries, those rights belong to the sovereign.

Accordingly, when a country like Venezuela, Saudi Arabia, Kuwait, Iran, or Iraq grants a concession for the exploration and development of its oil and gas resources, the nation itself reserves a royalty share of the production income. Until recently the reserved share in most foreign countries was not less than 50 percent of the net profits from the producing activity.

In this country, if a landowner reserved a 50 percent net profits interest on the grant of operating rights, this amount of income, 50 percent of the net profits, would be excluded from the gross income of the operator. Only the remainder would be the income of the operator. He would take depletion on this remaining amount and go on to compute his income tax.

However, U.S. oil companies engaged in foreign production have been allowed to arrange the 50 percent share of the foreign country in the form of an "income tax," in whole or in part, and to claim this so-called tax as a credit against the U.S. tax liability.

In most cases, our tax is wiped out, so these companies paid no U.S. income tax whatever on the billions of dollars of foreign oil produced every year.

In this situation, there is no distinction between royalty—or net profits—and a tax. The reason the U.S. oil companies suggested an income tax be imposed upon them by the lessor countries was to have the U.S. Treasury pick up the tab for their tribute to the foreign oil sheikdoms.

If the share of the lessor country had been put in the form of a net profits interest, the remainder of production income would have been subject to a substantial U.S. tax.

The fact that we have let this state of affairs develop, while at the same time keeping the cheaper foreign oil out of U.S. markets,\* all at the expense of our own domestic reserves and the American consumer, with the industry screaming, "Threat to the national security! Fuel shortage! Energy crisis! Monetary panic!" All this is a real disgrace.

I am suggesting that this outrageous situation be corrected by treating the so-called income tax what it is in truth and in reality—royalty payable to the lessor country—and taxing the remainder to the U.S. companies without a foreign tax credit.

#### GUAM INTERESTED IN THE LAW OF THE SEA CONFERENCE

### HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. WONPAT. Mr. Speaker, one of the most pressing issues facing the United Nations today concerns ownership and control of coastal areas.

Many nations are rising to challenge the long established 3-mile territorial limit of national jurisdiction over their coastal areas. Peru and Ecuador, for example, have been seizing U.S. fishing boats for the past several years on the charge that they have been violating a 200-mile territorial limit set by these two countries.

On June 20 to August 29, 1974, the United Nations will conduct a Law of the Sea Conference in Caracas, Venezuela, in an effort to resolve the many differing views concerning this and related issues.

Although the United States will participate in the conference, the Guam Legislature has expressed interests in having Guam representation at the conference to assure that our own unique requirements as an island are fairly represented.

\*Since the Professor's testimony, the Oil Import Quota Program was abolished.

Toward this end, the 12th Guam Legislature has adopted a most exemplary resolution. This document noted that the official position on this issue adopted by the Congress of Micronesia is one that best identifies with the needs of Guam, and the Guam Legislature requests that one of their members be permitted to join the Micronesian delegation in Caracas.

As the Delegate in Congress from Guam, I believe that it is consistent with my responsibilities to bring the views of our legislature to the attention of my colleagues in Congress.

For this reason, I therefore insert the content of Resolution 202 now in the RECORD:

#### RESOLUTION No. 202

Be it resolved by the Legislature of the Territory of Guam:

Whereas, the Congress of Micronesia has recently adopted a preliminary position with respect to the Law of the Sea in defining a nation's internal and territorial waters, which position can be summarized as follows:

(1) Micronesia's internal waters consist of all waters within the Micronesian archipelago and that the waters encompassed by the Micronesian archipelago consist of all waters within straight base lines connecting the outermost islands, barrier reefs, fringing reefs or other reef systems measured at the low water line, the internal sea of Micronesia to consist of all waters within those lines.

(2) While the rights of innocent passage will be permitted until such time as sea lanes and air corridors through the internal waters of Micronesia are designated, Micronesia has the right to control the passage of ships and aircraft across its internal waters.

(3) Micronesia's territorial sea consists of all waters adjacent to the Micronesian archipelago to a distance twelve nautical miles outward as measured from the baseline encompassing the archipelago.

(4) Micronesia shall have exclusive jurisdiction over all resources, both living and non-living, including the resources of the sea bed and its sub-soil, within the waters adjacent to the Micronesian archipelago to a distance 200 nautical miles outward measured from the outer boundaries of the territorial sea, but in this exclusive resource zone, the rights of innocent passage by ships shall not be restricted in any manner nor shall air traffic be restricted nor shall Micronesia reserve the right to designate sea lanes and air corridors through the exclusive resource zone. Until such time as the Micronesian fishing industry is capable of harvesting its fishery resources to the optimum level within its internal waters, territorial sea, and exclusive resource zone, a licensing system, subject to rules, regulations and fees established by law, will be implemented whereby foreign fishing vessels will be permitted to harvest that portion of the fishing resource which the Micronesian fishing industry is incapable of harvesting; and

Whereas, the position of the Congress of Micronesia on this question of such vital importance to the people of Micronesia is set out and explained in detail in a document entitled "Law of the Sea, the Preliminary Micronesian Position" prepared by the Joint Committee on the Law of the Sea by the Fifth Congress of Micronesia, which report is dated May 14, 1973, explains why the preliminary position has been adopted, why the position is consistent with international law, why this position is reasonable, and why it is consistent with the political, cultural and economic realities of Micronesia; and

Whereas, the Legislature has had an opportunity to study this position paper and



finds its analysis pointed, its reasoning impeccable, and its conclusions compelling, and therefore wishes to associate the people and territory of Guam with the position of the Congress of Micronesia on this vital question, the reasons for this association of Guam with the rest of Micronesia on this question of the Law of the Sea being the following:

(1) Guam is geographically, culturally and historically a part of Micronesia and its water resources are as vital to it and its economy as are such resources to the economy of Micronesia at large. Guam itself lies within the internal waters of Micronesia, as defined by the Congress of Micronesia, which is entirely consistent with Guam's location in the Pacific Ocean, its separate political status being a result of a historical accident, having no relationship with the geographical realities of Guam and Micronesia.

(2) Guam is a small island as are the other islands of Micronesia, and to provide its peoples with the necessities of a peaceful and happy existence, it must not be forever at the mercy of those large international powers with powerful navies, and wider-ranging fishing and merchant fleets, since under the old concept that the territorial waters only extend three miles out from the high water mark of the island's shores, the people of Guam would have to stand idly by while its nearby waters were exploited both for fish and for the minerals to be found on the sea bed, resources that should be strictly within the control of the people of Guam.

(3) Guam's position in the Pacific relatively close to the Philippines, Taiwan and Japan means that ships and aircraft destined for these countries continually traverse the sea and air surrounding Guam, and it is therefore only just that Guam controls these sea lanes and air corridors, particularly since for this very reason of Guam's major role as a shipping and air transportation center, it will be a primary target in any future world war, and thus the right to control aircraft and ships within its waters becomes of paramount importance to the safety and welfare of the people of Guam.

(4) With the ever-increasing world population putting more and more pressure on the limited resources of the ocean, water pollution and over-fishing become a growing menace to the peoples of the Pacific Islands, including Guam, and the pollution of Guam's nearby waters and the destruction of its fishery resources cannot be prevented unless the territory has jurisdiction thereover; now therefore be it

*Resolved*, that the territory of Guam, represented by the elected representatives of the people of Guam, the Twelfth Guam Legislature, does hereby adopt as its own position that preliminary position on the Law of the Sea as set out in the report by the Congress of Micronesia thereon, and the Governor of Guam and Guam's Delegate to the House of Representatives of Congress of the United States, are each hereby respectfully requested and memorialized to present this position as forcefully as possible to those officials within the Department of Interior, the Department of State, and elsewhere in the Federal Government having jurisdiction over the question; and be it further

*Resolved*, that the Congress of Micronesia be and it is hereby respectfully requested and memorialized to permit representatives from the Guam Legislature to join the delegation from the Congress of Micronesia that participates at the next session of the United Nations Law of the Sea Conference to be held in Caracas, Venezuela, and if the Congress believes that it will not be permissible for such Guam representatives to attend as members of the Micronesian delegation, said latter delegation should at least be respectfully requested to advise the Conference that

the territory of Guam is fully in accord with the position of the Congress of Micronesia on this vital question; and be it further

*Resolved*, that the Twelfth Guam Legislature does hereby authorize to attend the Caracas Conference representatives from the Legislature, who are further empowered to present the position of the territory of Guam on this question, and who shall make a report to the Legislature on the result of their attendance and the fruits of the Conference upon their return; and be it further

*Resolved*, that the Speaker certify to and the Legislative Secretary attest the adoption hereof, and that copies of the same be thereafter transmitted to the Chairman of the Joint Committee on the Law of the Sea of the Congress of Micronesia, to the Presiding Officer, Conference of Law of the Sea, United Nations, to the Secretary of State, to the Secretary of the Interior, to Guam's Delegate to the U.S. House of Representatives, and to the Governor of Guam.

Duly and regularly adopted on the 17th day of April, 1974.

G. M. BAMBIA,  
Legislative Secretary.  
F. T. RAMIREZ,  
Speaker.

GE BOARD CHAIRMAN TESTIFIES  
BEFORE JEC

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, last week, the Joint Economic Committee's Subcommittee on Economic Growth, chaired by Senator GEORGE BENTSEN, of Texas, began a set of extremely important hearings which will endeavor to analyze in what directions our Nation and indeed the world might grow in the next decade.

As a member of that subcommittee, I am most concerned about patterns of domestic growth and consumption which have far-reaching international implications.

One of the first witnesses before our subcommittee was Reginald H. Jones, chairman of the board of General Electric Co.

I would like to include Mr. Jones' thoughtful statement in the RECORD at this time:

ENVIRONMENT FOR CAPITAL INVESTMENT

Since the great depression of the Thirties, the United States has become an increasingly consumer-oriented economy. National policy has been directed primarily toward stimulating consumer demand, redistributing wealth, providing for social welfare, and increasing government services. Except for the periods of World War II and the Korean War, the production side of the equation and the creation of capital have had much lower priority.

While much good has flowed from policies favoring consumption over production, they have—over time—created an unbalanced situation which threatens continued national progress. We now have an economy whose tax structure and economic policies tend to discourage savings and capital investment. The popular attitude toward profits—the means by which business finances this country's future—is one of grudging acceptance and little understanding. This attitude was manifest in legislation

during the Sixties which, for example, twice reduced personal tax rates while leaving the corporate tax unchanged.

Other industrialized countries, our competitors for world markets, have had more aggressive policies to encourage investment.

Here are the comparative rates of capital investment: gross private domestic investment as a percentage of GNP for 1973:

	Percent
United States.....	15.7
Germany.....	26
France.....	28
Japan.....	37

Now those figures are greatly affected by the differing institutional arrangements in these countries, and the American people probably would not, for example, want to emulate the Japanese way, with its emphasis on production for export and lower standards of living at home.

Nevertheless the United States has, for decades, been investing comparatively less of its wealth in capital for the future. And the consequences of underinvestment are catching up with us in those basic industries that undergird the national economy and its expensive social services. Shortages of fuel, raw materials, transport, and industrial commodities are forcing us to re-examine our national priorities. Unless we want to live with ever-worsening shortages, and all the unemployment and inflation and government controls that would result, we will have to establish policies that once more encourage savings and investment.

U.S. CAPITAL NEEDS 1974-85

First, let's take a realistic look at the capital needs and resources of the United States between now and 1985. Our economists at General Electric, utilizing a computerized econometric model of the economy into which they can feed varying assumptions, have made a year-by-year projection of the economy to the year 1985. This is not an idealistic projection, but one that recognizes how deeply inflationary forces are imbedded in our total system at the present time. It anticipates that we will have an overall inflation rate of about 5% a year between now and 1985—high by historical standards, but less than the present overheated rate. It further assumes that, because of the long-term decline in industry's return on investment, the continuing pressures of inflation, and the demands of our social problems, we will not be able significantly to increase the proportion of Gross National Product devoted to capital investment, desirable though that may be.

With these conservative assumptions they project a 4% average annual growth in real GNP, or 9.1% growth in current dollars. That would yield a Gross National Product of \$3.6 trillion in 1985, expressed in then-current (not constant) dollars.

Table I, attached, summarizes the capital investment needed to attain such an economy, as well as the historical record of the previous twelve years.

Look at the first line, which presents the grand totals of gross domestic private investment—a category that includes residential structures and inventory accumulation in addition to business fixed investment for structures and equipment.

In the period 1962 through 1973, a total of \$1.5 trillion was invested. But in the coming twelve years, we'll have to raise and invest a staggering \$4.5 trillion. And most of that will have to be raised by the business community.

The chart also presents the data in constant dollars. It's interesting to note that the total in current prices for the twelve years ahead, \$4.5 trillion, is triple the total for the previous twelve years, \$1.5 trillion, while in constant prices it is only about 69%

higher. The ravaging effects of inflation are apparent and will greatly complicate our financing problems in the years ahead.

As I indicated, this projection does not expect the nation to devote much more of its GNP to investment. The \$1.5 trillion invested in 1962-73 amounted to 15.0% of our GNP in that period, and the \$4.5 trillion projected for the next twelve years will similarly amount to about 15.3% of GNP. In my personal opinion, we'll have to do better than that—perhaps 18% to 20%—if we want to lick inflation and maintain a socially acceptable level of unemployment. But I must also say that, given present national policies and tax structure, industry will be very hard put to raise its share of the conservatively projected \$4.5 trillion—let alone any more than that.

Table I also shows the components of this projection of gross private domestic investment. Look at the fourth line, business fixed investment. This investment in plant and equipment, including the agribusiness, will have to be more than triple the level of the earlier period, \$3.3 trillion versus \$1.1 trillion in current dollars. The biggest increases occur in electric utilities and other energy industries, which will have to raise and invest about \$770 billion, almost four times their investment in the past twelve years.

These projections include investment for a number of basic purposes:

For the necessary replacement and modernization of facilities and equipment which account for about half of the total.

For increasing industrial productivity not only to assure domestic growth and restrain inflation, but also to keep our country competitive in world markets.

For environmental pollution control, which does not add to productive capacity but has the commitment of the public and is necessary to maintain our quality of life.

For the development of alternative sources of energy. I should emphasize to the Committee that as we move from the easy to the more difficult and expensive sources of energy, the investment required is much more substantial and the risks are several orders greater than for more normal business investment.

Governments also make capital expenditures, and on Table II we present our projection of government investment spending, as against the historical record. Again look at the totals on the first line. In the period 1962 through 1973, federal, state, and local governments invested \$357 billion in equipment and construction for education, highways, resources, and other public services. In the coming twelve years, that will increase to \$779 billion in current dollars. In constant dollars our economists estimate that government investment may be only slightly higher than in the past twelve years, because of lower requirements for school and highway construction. In view of the constantly increasing dimensions of governmental activities, I think our economists may be overoptimistic about holding down government capital outlays. We also add, for your information, a projection of military requirements that may or may not be characterized as investment. The point of this Table is to remind the Committee that government capital expenditures, which are paid through taxes rather than voluntary investment, reduce the amount of money available to individuals and corporations for savings and investment. And to the degree that the government does not raise enough taxes to cover its expenditures, it must create new money through the process of financing deficits. The result is inflation that undermines the value of all dollars available for investment.

#### SOURCES OF CAPITAL

The Committee is interested in knowing not only what the nation's capital needs will be, but also where the funds will come from. In rather general terms, I suppose we could say that savings represent the source of capital—or put another way, that portion of our output that is not consumed is available to our capital markets.

The prevailing Keynesian view since the Depression has been that in the United States, to quote John Kenneth Galbraith, "Not a shortage of savings but a recession resulting from the failure to use all available savings is the spectre that haunts all policy makers. For investment to exceed savings, at least in peacetime, is thought exceptional."

Well then these are exceptional times. My thesis is that this country has drifted into a situation where its investment needs may exceed its savings, and what we need are incentives and policies that will divert more funds from consumption to investment.

In any forecast, investment and savings have to match, and on Table III our economists have prepared a projection of the sources of funds which can be utilized to finance our private investment. In the interests of simplicity and because our needs are for dollars year-by-year, the data are presented in current or actual dollars.

We've all read the business pages and know that company after company has announced record profits for 1974. After-tax earnings of non-financial corporations, recovering from the low point reached in the 1969-70 recession, were reported to be some 38% higher than in 1965. But the fact is that in the same eight years, the Gross National Product increased 88%. Thus, stated corporate profits now equal 4.0% of the GNP, compared to 5.6% in 1965. Business is losing ground.

And that's not the worst of it. The proudly announced 1973 profits are actually overstated because of the hidden impact of inflation.

George Terborgh, the highly respected economist of the Machinery and Allied Products Institute, just last January issued a paper summarizing the effects of inflation over the past eight years on the profits of non-financial corporations. Here are his main findings:

1. He expected after-tax profits for 1973 to be reported at \$52 billion. (Actually, they came in at \$50 billion.) That would compare with \$38 billion in 1965, an apparent 38% increase. However, if we adjust for the effect of under-depreciation and failure to recognize the higher cost of inventory, Terborgh finds that 1973 adjusted profits were less than half as large as reported—\$25 billions. That's considerably under 1965 adjusted profits of \$36 billions.

Again look at the first line. Gross private savings totalled \$1.8 trillion in the past twelve years, and are projected to total \$4.3 trillion between now and 1985. That almost matches our private investment needs of \$4.5 trillion, and we do not attach much significance to the difference because of the uncertainties inherent in any forecast.

We have no information to forecast the mix of sources except historical data, and on that basis, depreciation allowances are expected to account for the largest share of funds, totalling nearly \$2.4 trillion or 55% of the grand total during the 1974-85 period. Savings of individuals will account for nearly 30%, totalling \$1.2 trillion in the period ahead, while corporate retained earnings (minus inventory profits) are expected to account for nearly \$0.7 trillion or 15%.

But will these potential savings and investments actually be forthcoming?

The answer is by no means certain. Business faces very substantial financing problems in view of the relentless decline in re-

turn on investment, the weakness of equity markets, the already heavy burden of corporate debt, the rising costs of credit, and the destructive effects of inflation.

The fundamental problem is the long-term decline in return on investment. Investments have to be successful or businesses fail and people lose their savings and jobs are dried up. That's basic.

2. Terborgh also examined retained earnings, a primary source of reinvestment capital. In constant dollars, adjusted retained earnings fell from \$19 billion in 1965 to a mere \$2 billion in 1973, a 90% drop. Industry has been distributing practically all of its adjusted earnings in dividends in order to attract more capital, and its reported retained earnings represented little more than the amount required to cover the understatement of inflated costs.

3. Industry has also been overly generous to the government. By overstating profits through under-depreciation and booking of inventory profits, effective tax rates on real profits in 1973 were not 48%, but 66%.

Mr. Terborgh concludes that American industry has not yet learned to protect itself against inflation in its accounting practices.

Further analysis by our GE economists drives this point home with a vengeance. In order to adjust for the actual cost of replacing plant and equipment that is worn out, depreciation allowances should have been 31% higher in 1973, reflecting the rise in plant and equipment prices. Correcting depreciation for replacement costs drops corporate profits to \$39 billion, not the \$50 billion actually reported by non-financial corporations for 1973. Applying current tax rates, non-financial corporations' profits after taxes yield only 4.7% on total investment in equipment and facilities compared with 7.8% in 1965. And if phantom inventory profits are eliminated (based on a Commerce Department method), the 1973 return on investment falls to a dismal 3.6%! With interest rates above 8.5%—which amounts to 4.1% after taxes—there clearly is little incentive to invest in expanded facilities.

With profit rates declining and depreciation rates inadequate to cover replacement, producers have had to increase their debt to finance modernization and growth. Corporate debt has doubled since 1966, and is estimated to have passed a trillion dollars in 1973. The cost of managing that heavy burden of debt has become a major deterrent to further expansion, making it difficult for industry to raise more money either by loans or equities. The regulated industries, with their high capital needs, are especially hard hit. Average coverage of interest charges of electric utilities declined from about four times in 1964 to about two times in 1973, and is still headed downward.

The situation is further clouded by the depressed condition of the stock market which has reduced and in some instances may have eliminated opportunities for new equity investment. As a matter of interest, in 1973 more than \$175 billion was erased from the market value of all the stocks listed on the New York Stock Exchange—hardly an incentive for further investment. Average price/earnings ratios are abnormally low, and in the regulated industries equity prices are frequently below book value. Evidently the public does not consider corporate profits sufficient to make the stock market a good investment today. Yet our capital markets are—and have to be—one of the primary sources of dynamism in the economy.

Returning to the problem of depreciation rates, capital recovery allowances do not compensate for the confiscation of capital by inflation. Accelerated depreciation rates, combined with investment credit, have narrowed the gap between U.S. and foreign capi-

tal recovery allowances. But our practices are still behind those of other industrialized nations. Whereas the U.S. cost-recovery figure for the first three years stands at 55 percent, Canada is 100 percent, France 90 percent, Italy 65 percent, Japan 64 percent, Sweden 96 percent, and United Kingdom 100 percent. These countries recognize the realities of inflation.

So we have a picture of business going deeper into debt, faced with declining return on investment, unable to attract sufficient equity funding, unable to keep up with inflation in its depreciation charges, and subsisting on a thinner and thinner diet of retained earnings. The problems are serious for all of industry, but especially for the regulated industries—electric and gas utilities, railroads, airlines, and communications companies—which have extraordinarily high needs for capital.

#### POLICY RECOMMENDATIONS

What can be done? We understand the Committee is primarily interested in General Electric's projection of capital needs and the obstacles that stand in the way of their attainment. However, we do have a number of policy recommendations that can be quickly summarized.

First, we need tax reform. Not the kind that regards every legitimate incentive to invest as a "loophole", but just the reverse—reforms that will encourage savings and investment.

One step would be to moderate the progressive nature of the federal tax structure. One unfortunate effect of inflation is that, as incomes grow through inflation—without any real increase in purchasing power—individuals move up into higher brackets. Thus they have less left for savings and investment after the tax collectors are finished with them.

As to corporate taxes—we should certainly retain the investment tax credit in its present form, without the variations in rate advocated by some.

We should also allow capital cost recovery at a faster rate. A shortening of Asset Depreciation Range (ADR) recovery periods for machinery and equipment to allow a 40 percent leeway in guideline periods would catch us up with the 1970 recommendations of the President's Task Force. But in view of foreign competition, we need even more rapid recovery of capital costs. Accordingly, I join with others in urging a maximum allowance of 10 percent per year for industrial buildings and 20 percent for other plant and equipment.

Recovery of the cost of air and water pollution control facilities requires special attention. Such facilities do not contribute directly to corporate profitability but represent instead an investment on behalf of the public. These required investments are diverting costly funds from other capital programs which would provide financial return and increased output of goods and services. We estimate the total to be \$170 billion between now and 1985. Our tax laws should be amended to provide an election permitting the deduction of all such costs in the year they are incurred.

Tax provisions that penalize savings and investment should be carved out of our tax laws. For example, the minimum tax on tax preference income has no logical application to corporations engaged in normal business activities. Although such corporations should be exempted from this punitive levy, Congress, in any event, should not yield to the pressures of those who would deny to corporations the right to offset income taxes actually paid against preference income.

Further, existing capital gains rates for individuals and corporations should be reduced to the levels effective prior to the 1969 Act.

This would include deletion of capital gains from the list of tax preference items. Denomination of a capital gain as a tax preference is in itself anomalous.

Finally, under this heading of tax reform, I would like to point out that some European countries with very high rates of capital formation—for example France and Germany—have found ways of reducing the pernicious effect of double taxation of profits, first on the corporate level, and then on the individual when he receives a dividend.

A second basic step is better control of government spending. It is sobering to realize that the share of gross national product taken by governments at all levels has risen from 10% in 1929 to 32% today, and is headed ever higher. Taxes reduce the amount available for private investment, the bedrock on which our economy rests.

A third basic step is to redirect the government spending that is necessary toward more productive ends—research and development, for example, that would open up new sources of fuel and more efficient energy conversion systems. Where the development of new technologies requires enormous sums and enormous risks, joint business-government ventures would be in order.

A fourth step is to assure an atmosphere that welcomes foreign investment capital—especially those petro-dollars that have been flowing to the oil-producing nations. The increased prices of petroleum have been an unpleasant form of forced savings, and we should be sure that a goodly share of those funds comes back to work in the U.S. economy as capital investment.

And finally, the adequate formation or real capital depends on profit prospects which are more attractive than long-term interest rates—just the reverse of recent trends. Specifically, you might consider the following ways to assure more adequate profits:

Develop more realistic statistics that measure corporate profits as adjusted for inflation. Specifically, include principles of "inflation accounting" in Federal statistics—for example depreciation charges that are based on replacement costs of worn-out equipment. The Financial Accounting Standards Board should be supported in its efforts to establish new rules for reporting corporate earnings to share owners which, in effect, adopt similar standards of inflation accounting. The FASB might utilize Federal statistics to develop standard indexes for use by industry in such reporting.

Steps should be taken to encourage an accelerated flow of equity capital into regulated industries which are closely tied to the economy's infrastructure. Specifically, you might consider guidelines to the state regulatory commissions which would permit these industries to raise prices simultaneously with inflationary cost increases. Such speedy price adjustments would provide the necessary earnings for railroads, airlines, and utilities to assure adequate equity financing.

Governmental economic policies can also improve the profit climate for our hard-pressed basic industries, which must expand to meet the nation's needs. The price mechanism is the best means of bringing supply and demand into balance, and we should by all means avoid price controls when shortages finally push prices to a level where they encourage expansion. In the past three years we have had an expensive lesson in the futility of economic controls, and the mischief they cause by creating shortages and inequities throughout the system. The controls are gone, but the inflation they were intended to protect us against is with us still.

Mr. Chairman and members of the Subcommittee, let me thank you again for giving me this opportunity to appear before you on the crucial question of the nation's busi-

ness capital requirements. I shall be pleased to undertake to answer any questions you may have at the appropriate time.

#### ANALYZING THE DEFENSE BUDGET

**HON. BELLA S. ABZUG**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Ms. ABZUG. Mr. Speaker, as we discuss the military procurement bill for fiscal year 1974, I believe we should think long and hard about the points made in an article in today's New York Times. Mr. Sanford Gottlieb, the longtime director of SANE, presents some statistics on our military capability and that of the Soviets which should give us all pause. I would like to insert the article into the RECORD:

#### ANALYZING THE DEFENSE BUDGET

(By Sanford Gottlieb)

WASHINGTON.—Defense Secretary James R. Schlesinger is trying to convince Congress to fund the biggest military budget in United States history. His approach blends hoary cold-war assumptions with new and sophisticated rationales.

He wrote in the fiscal 1975 annual Defense Department report: "The United States today, as opposed to the period before 1945, bears the principal burden of maintaining the worldwide military equilibrium which is the foundation for the security and the survival of the free world. This is not a role we have welcomed; it is a role that historical necessity has thrust upon us. . . . There is nobody else to pick up the torch."

The new rationales, mixing some truth with much else, include these: "Defense" is only 29 per cent of the Federal budget and 6 per cent of the gross national product. There are higher costs because of the volunteer Army. The military budget barely keeps up with inflation. The United States cannot afford to stand by idly while the Russians expand their strategic arsenal.

Before an examination of these rationales, there should be scrutiny of the form and size of the Administration's request. It comes in several packages, masking the full extent of the authorization sought for fiscal 1975, which begins July 1. The Pentagon is seeking \$92.9 billion in "obligational authority"—funds to be spent in fiscal 1975 plus some down payments on planned weapons systems—as well as \$6.2 billion in supplemental funds for the current 1974 fiscal year.

Approving a separate supplement to last year's budget makes fiscal 1974's share look bigger, fiscal 1975's smaller.

John C. Stennis, chairman of the Senate Armed Services Committee, was not fooled. On Feb. 5, he said that "the sum of these two requests is \$99.1 billion," and that "this sum compares to \$80.2 billion," which was "appropriated for the Department of Defense last year for fiscal year 1974."

When the Atomic Energy Commission's weapons programs is added to this sum, it breaks the \$100-billion barrier. The size of this request is unprecedented in war or peace.

The Government's bookkeeping system was changed in 1968. Before then, the Federal budget was composed of the total expenditures of the executive agencies. Since then, the budget has also included expenditures from such sources as social security, the

highway trust fund and railroad retirement. As a result, largely because of higher social security payments Federal outlays have increased 23 per cent in two years. With a bigger "pie," the slice for "defense" looks relatively smaller even when it sets a record.

The important point about the trust funds is that Congress cannot dip into them for other purposes. When the Federal budget is recalculated along pre-1968 lines the figures look very different: 40 per cent for the military, plus another 19 per cent for the costs of past wars—veterans payments and interest on the national debt. This total of 59 per cent is the same for fiscal 1975 as fiscal 1974. The balance of 41 per cent is what Congress might hope to control for such programs as education, health, environment, energy, and agriculture—or return to the taxpayer in tax cuts.

As for the gross national product, the decline in the military's share reflects only a growing national economy; in absolute terms the military budget has been steadily rising. More domestic appliances and buildings need not be matched by more missiles and bombers. If the economy expands during a period of relative international calm, why shouldn't the military's share decline?

Military pay has risen considerably in recent years, but not because of the volunteer Army. The key decision to make military pay comparable to civilian wages, by linking it to civil-service grades, was made in 1967, six years before the end of the draft. The goal was equity, not a volunteer force.

Ensuing pay hikes helped close the gap between military and civilian incomes even before the ending of the Vietnam war and the draft. The war was unpopular enough without perpetuating low pay in the armed forces.

Military-personnel costs are indeed swollen, now consuming 56 per cent of the "defense" dollar. A major factor, which the Pentagon fails to cite, is the top-heavy command structure. There are today more senior officers commanding 2.2 million men and women than there were during World War II commanding 12 million—the consequence of years of vested career interests, not of the fledgling volunteer Army.

The ranks of Pentagon civilians are also swollen, with almost one for every two in uniform, at an annual cost of \$17 billion.

A staff study by the Joint Congressional Economic Committee estimates that military budget requests are up 8 percent over last year after allowing for wage and price increases, including fuel costs. Moreover, military spending is a prime source of inflation, pumping large sums of money into the economy without producing goods and services the public can buy.

Exactly one line in Mr. Schlesinger's 237-page annual report is devoted to the statistic that Robert S. McNamara saw in 1967 as the "most meaningful and realistic measurement of nuclear capability": the number of separate nuclear warheads. That line reveals that in mid-1973 the United States had 6,784 strategic warheads, the Soviet Union 2,200. By mid-1974, the United States will have 7,940, the Soviet Union 2,600. Each warhead can destroy a city. We will soon have 36 warheads for each of the Soviet Union's 219 major cities, not counting thousands of tactical nuclear weapons. This is overkill.

But Mr. Schlesinger is worried. The Russians are testing four new missiles with big payloads. Six years after the United States, they are expected to start fitting independently targeted multiple warheads on their missiles. At some future point, the Secretary says, they could have 7,000 powerful warheads with which to threaten American land-based missiles.

Even if one assumes that the Russians could destroy every American intercontinental ballistic missile in its silo, a single hard-to-locate Poseidon submarine could

devastate 160 separate major targets in the Soviet Union. Instead of emulating the Soviets in meaningless build-ups, the United States should try to negotiate real reductions in overkill capacity.

## COURTS SHOULD ENFORCE JUDICIARY COMMITTEE'S SUBPOENAS

### HON. HAROLD V. FROELICH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. FROELICH. Mr. Speaker, in recent weeks I have been giving careful consideration to the looming confrontation between the Committee on the Judiciary and the President of the United States. The committee clearly has broad powers to pursue the impeachment inquiry, and I intend to support the exercise of these powers whenever it is necessary to secure the truth.

Nonetheless, the committee's powers are not unlimited. They are not absolute. Somewhere there is a line that the committee ought not to cross. Neither the committee nor the President is in a good position to decide where that line is because we both have a natural and undeniable bias.

Today, I sent a letter to Judiciary Committee Chairman PETER W. RODINO, discussing this great issue together with my principal conclusions. I insert this letter at this point in my remarks.

HOUSE OF REPRESENTATIVES,  
Washington, D.C., May 20, 1974.

HON. PETER W. RODINO, JR.,  
Chairman, House Judiciary Committee, Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: The several subpoenas issued by the Judiciary Committee and others likely to be issued in the future are moving the Committee into a direct confrontation with the President of the United States. In my opinion, the best interest of this nation, its people, and our form of Government will be served if an ultimate confrontation can be avoided. I am writing now to elaborate upon this theme.

The mission of the Committee is to investigate whether sufficient grounds exist for the House of Representatives to exercise its constitutional power to impeach Richard M. Nixon. In essence, our objective is to investigate whether there are reasonable grounds to believe that the various charges of presidential misconduct are true, and, if so, whether these charges constitute one or more impeachable offenses under the Constitution.

In conducting this investigation, the Committee is entitled to seek all relevant evidence of specified presidential misconduct. But it does not necessarily follow that the Committee is entitled to receive from the President all the evidence it seeks.

As a matter of fundamental constitutional principle, the Committee does not have unlimited power to secure evidence from the President. The President, in some instances, may raise a valid legal objection to a demand for full compliance with a Committee subpoena. There are potential claims of relevancy, national security, executive privilege, attorney-client privilege, Fourth Amendment right of privacy, and Fifth Amendment right against self-incrimination that the President might wish to assert. (For instance, it is inconceivable that the Committee would subpoena a tape of the Presi-

dent's recent discussions with his attorney, Mr. St. Clair, about the Watergate matter, and then disregard presidential objections.) The Committee must not assume a position in which it can dismiss all these claims out of hand. For the Committee to adopt such an extreme view of its power would be to embrace a mechanism for harassing, confounding, and eventually dismantling the executive branch of government, not only at this time in this Administration, but also at any time in any future Administration.

This is not idle speculation. It should be remembered that H. Res. 803, the resolution granting subpoena power to the Committee, could be adapted to an investigation of any executive or judicial branch officer merely by changing names and dates. For example, the House, by a simple majority vote, could authorize one of its Committees to investigate whether grounds exist for the House of Representatives to exercise its constitutional power to impeach Henry Kissinger, or Clarence M. Kelley, or Warren Burger, and thereafter to demand from said individual, the production of any "books, records, correspondence, logs, journals, memorandums, papers, documents, writings, drawings, graphs, charts, photographs, reproductions, recordings, tapes, transcripts, printouts, data compilations from which information can be obtained . . . , tangible objects, and other things of any kind" that the Committee "deems necessary to such investigation."

If the President now may offer no recognizable objection to such a sweeping and unlimited power, then no present or future executive or judicial officer will ever be certain that his every statement and action in office will not be exposed to the public at the whim of Congress. This would have a stultifying effect upon the conduct of government. Certainly, Congress would never permit itself to become liable to such an encroachment by other branches.

Inasmuch as the House does not possess an unlimited power to extract evidence from the executive, I think it is self-evident that the Judiciary Committee should not be the final arbiter of when the President is justified in not fully complying with a Committee subpoena. It is hard to suppose that an interested party—be it the Committee or the President—will always be able to render a disinterested and dispassionate judgment. Neither the President nor the Committee should have the final determination of what evidence should be delivered. In this regard, a contention by the President that he has no legal obligation whatever to supply additional tapes or documents to the Committee or that he has supplied all relevant data and information is utterly lacking in legal merit. The President should not be the final authority over what he releases to us.

Our only objective in these proceedings should be to investigate the culpability of the President with respect to impeachable offenses under the Constitution. The proceedings should not be held to establish the supremacy of the legislative branch, and they should not be used to maneuver the President into a confrontation of power that could lead to his impeachment on totally unsubstantiated, procedural grounds. Such conduct by the Committee would not be tolerated by the American people.

In my judgment, the time has come to resort to the courts (or to some neutral, mutually-agreeable creation in lieu of the courts) to settle the fundamental constitutional disputes that are clearly developing. If the Committee is correct in its demands, then its position will be strengthened and buttressed by a favorable judgment from the courts. If the Committee is not correct, then by definition we are not entitled to be successful.

The House may have the sole power to impeach; but most assuredly this power does

not carry with it the right to employ any procedure, any means, to establish the impeachment. Hence, the House would not be surrendering any of its constitutional power to the courts.

Above all, the Committee must operate in a way that will preserve the fabric of our constitutional system. That is why it is imperative that we not act alone.

Sincerely,

HAROLD V. FROELICH,  
Member of Congress.

THE CASE FOR A FEDERAL OIL AND GAS CORPORATION—NO. 35

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. HARRINGTON. Mr. Speaker, the proposal for a Federal Oil and Gas Corporation came under heavy attack last week when international coal company executive Ian MacGregor, chairman of Amax, suggested that a FOGC would encourage:

Labor unrest, long strikes, inconvenience to the public, and conflict between employees.

Drawing on examples provided by what he called the "sorry record of nationalized industries in Europe," Mr. MacGregor urged Congressmen advocating a Federal Oil and Gas Corporation to consider problems which currently affect similar European corporations.

Mr. Speaker, an extensive study prepared by the Library of Congress at my request, and submitted into the CONGRESSIONAL RECORD last month, found no evidence to corroborate Mr. MacGregor's charges.

The study revealed national oil and gas corporations were generally able to attract highly skilled personnel and to operate with high efficiency. There was no evidence of the "problems of nationalized industries" which concern Mr. MacGregor.

In fact, when the Federal Oil and Gas Corporation was considered recently in Senate hearings, major oil company spokesmen opposed the proposal because they feared it would attract too many experienced oil company workers, thereby weakening the existing major oil companies and undermining their efficiency.

This approach seems to indicate that the Federal Oil and Gas Corporation would in fact inject competitive influences into an industry that is already noncompetitive.

In summary, there is no evidence of the unattractive features Mr. MacGregor fears in Federal Oil and Gas Corporation in similar institutions in Great Britain, France, Germany and Italy.

The Oil Daily reported Thursday that Mr. MacGregor also "found it hard to comprehend how government intrusion into major fields of private enterprise could solve problems brought on by scarcities and inflation—much of which he felt was due to the constant expan-

sion of government spending without appropriate funding."

Mr. Speaker, I find Mr. MacGregor's comments thoughtful yet difficult to accept in a year when American consumers conserved fuel and still paid higher costs, only to see the major oil companies earn record profits. A Federal Oil and Gas Corporation, besides providing a competitive spur in the energy market, would give American consumers an opportunity to measure oil production costs and accurately evaluate major oil company profits. I believe it is acutely needed.

WHAT'S RIGHT WITH AMERICA

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. MONTGOMERY. Mr. Speaker, I was privileged recently to hear a very inspiring address by Mr. Derrell Roberts of Pineville, Miss., entitled "What's Right with America." As a veteran and State Commander of the American Legion, Mr. Roberts well understands the meaning of American rights because he has fought to preserve these rights. I commend his remarks to my colleague.

WHAT'S RIGHT WITH AMERICA

Can you ever remember when we have had more difficult and troubled times? Americans everywhere are now questioning what they once took for granted. Established institutions are under attack and our values are being challenged from every angle. People want to know what has gone wrong with our country. Change is everywhere and no institution—nothing—is safe from its reach. Cynicism is in vogue and patriotism is not fashionable.

As we have endured these past months of discontent, news analysts and commentators have again painted a dismal picture of the nation's past and future. Looking into their rear view mirrors, they see this as a time when nearly everything is wrong. Looking ahead, they see little but trouble for our Nation. I do not believe that things are all that bad.

We do have serious problems that must be resolved. We must do more to meet the needs of our people, we must commit more of our resources to the fight against crime, poverty, pollution of our environment and the other social and economic ills of this nation.

This seems an appropriate time, though, to take note not only of our shortcomings but also of our strengths and accomplishments—to demonstrate some pride in America. For despite the bad things—despite the things that are wrong with this country—there is much that is right with it. Let's talk a little bit about what's right with America.

First and foremost, we continue to enjoy the basic freedoms of speech, press, religion, assembly and petition. If we don't like the way things are, we are free to say so. The importance of this precious right is emphasized by the fact that two-thirds of the people of this earth do not enjoy this privilege.

Year after year, more Americans are at work earning more, producing more and building more than ever before. Our economic growth provides a standard of living that is the envy of the world. We are better fed, better clothed and better housed than any other people in history.

America continues to lead the world in education and science. Over 40% of our high school graduates go on to institutions of higher learning. Our young people are the best informed and most concerned generation in American history. They are the tallest, healthiest and probably the best looking generation to inhabit the earth. Despite the tiny vocal minority who have waved the Viet Cong flags and tried to take over campus buildings in protest, the fact remains that our youth are America's greatest asset.

Such dread diseases as polio, measles, tuberculosis, diphtheria and smallpox have been virtually eliminated. Our people work fewer hours, earn more, have more leisure time, travel to more distant places and have more of a chance to follow their life's ambition than ever before.

America's balance sheet is good. Whatever our problems, this is still the best place in the world to live. We don't build barriers and fences to keep people from leaving the United States. Instead, millions from less fortunate countries are clamoring to get in. We must be doing something right, despite what the critics say. So I suggest to you tonight that if there are wrongs to be righted, and there are—if there are injustices to be rectified, and there are—the place to begin is by saying to yourself, "I'm going to do something about it, I'll not cop out because this is still the greatest nation on the face of the earth and I intend to do my part to keep it that way.

Some time ago I tried to define the word Americanism and what it meant to me. As you know, it means different things to different people. I said that to me, it means good citizenship, it means an active interest in the affairs of my community, it means an understanding and appreciation of the freedoms that we enjoy and the charters which protect them. It means a love of my country and a determination to defend it. It means, above all things, an abiding faith in America and American principles.

Whether we view democracy as a system of popular self-government or as a way of life in which the equality of individuals is generally recognized, America as nearly approaches democracy as any country in the world.

But these privileges will not be maintained unless we create for ourselves and among the youth of this country, a renewed faith in our system of government.

We need a re-dedication of American faith, clearly defined and acted upon. Each one of us should say in his or her mind and heart, "This country belongs to me and I must cherish it. I believe in the right of human beings to life, liberty and the pursuit of happiness; in government by the consent of the governed; in freedom of the press, speech and assembly; and in the right to worship according to one's own conscience. I believe in the rights of all to justice and in the other rights declared in the Declaration of Independence and in the Constitution. I believe that these rights belong to others as well as to me, and that I have not only the privilege to enjoy them, but the obligation to cherish and maintain them."

So, tonight, I invite each of you to join with me in a rousing campaign of Americanism, a return to the basic values—the old virtues of loyalty, work, integrity in the individual and government.

Self-interest and patriotism go together. You have to look out for yourself and you have to look out for your country. You will understand your own problems better and solve them more easily if you have studied America's problems and done something toward their solution.

As an individual citizen, I have the privilege of choice in all things concerning me—the right to vote or not to vote—to work where, when and how I decide—to worship

as I believe and to speak and write according to my judgment. I have obligations, too, the responsibility to share my freedom—for without freedom for others, there can be none for me; I have a responsibility to protest against any violation of the basic rights of men and must be willing if necessary to give up individual rights for the rights of the whole. My obligation is to be tolerant, yet vigilant, for my rights and privileges as an American citizen have not been handed to me duty free.

To be a good American is the most important job that will ever confront us. But essentially, it is nothing more than being a good citizen, helping those who need help, trying to understand those who oppose us and doing each day's job a little better than the day before.

To "stand and wait" while others serve is not enough. We cannot stand and wait while there are things that need to be done. We can no longer afford to sit on the sidelines. We must get in the ball game. So, let us cool the loose talk and loose thinking where freedom and patriotism are concerned and face up to the task before us—recapture the values which made us a great people—rise up to a new sense of love for country—and reaffirm the pledge made in Gettysburg over one hundred years ago as President Lincoln faced his moment of truth. Let us say with him, "That this nation, under God, shall have a new birth of freedom, and that the government of the people, by the people and for the people shall not perish from the earth."

#### EXXON OIL TAXES

### HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. COLLINS of Texas. Mr. Speaker, for business growth and full employment in America we must produce more energy. The answer is more oil and gas.

Instead of encouragement and incentives, we have been hearing distorted statements about the oil companies. I pulled the figures from the 1973 Exxon Corp. statement and found that their net income was only 8.6 percent of their total world-wide revenue. I also found that the total taxes, including income, excise, and other taxes were 36.7 percent of the total revenue.

Exxon only paid 39 percent of earnings as dividends. For instance, for every dollar of dividends for the stockholders, there was \$4.80 paid out in other taxes and \$3.80 in income taxes. This means that for every dollar of dividends for stockholders there were \$8.60 in tax dollars paid to the Government.

Checking the 1973 Exxon profit statement shows that their profit was 1.9 cents per gallon of sales. Compare Exxon's 2 cents per gallon profit with the tax per gallon in Mississippi of 17.86 cents, New York City—16.34 cents, Honolulu—15.8 cents, Michigan—14.6 cents and California—14.01 cents. Take the 2 cents per gallon that Exxon earned in Mississippi and look at the taxes of 9 cents State, 3 cents Sea Wall, 4 cents Federal and 1.86 cents State sales tax, totaling 17.86 cents, which is nine times as much tax as profit.

Let us look at the profitability of all industry based on the New York First

National City Bank figures. The 97 leading oil companies had a return on net worth of 15.6 percent. The average for manufacturing companies was 14.8 percent, so the oil industry is about the same as most companies. Oil was below Weyerhaeuser with 25 percent, and Eastman Kodak, which had 21 percent, and General Motors which had 19 percent.

In 1973, Exxon earned \$2.4 billion, but in 1974, Exxon plans to spend \$3.7 billion on capital and exploration. Retained capital is essential when investing 50 percent more than they earned.

With the great need for more capital in discovering new oil fields, recovery from secondary areas, increased refinery capacity, we need to have oil companies earning more money. Congress should be encouraging and providing additional incentives to stimulate and expand oil and gas production in the United States. When Exxon earns only 2 cents per gallon, but taxes range as high as 9 times the profits, the need is for less tax bite.

Inflation and tax pressures are lowering Exxon's profits. Recent first quarter of 1974 Exxon financial statement shows sales up 59 percent, but profit increased only 39 percent. Reduced margins lowered profit ratios.

With the Government receiving over \$8 to every \$1 received by a stockholder, the time has come to demand less taxation.

#### ANGUISH OF A YOUNG SOVIET JEWESS

### HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. BELL. Mr. Speaker, in the past, I have inserted in the Record transcripts of recorded conversations between Stuart Lotwin of Los Angeles and Soviet citizens wishing to emigrate to Israel. Today, I would like to enter another revealing exchange between Mr. Lotwin, Ms. Sheri Berlin, and Yevgenia Lapidus of Moscow that demonstrates the continuing difficulties experienced by these citizens. The text of the conversation is as follows:

THE ANGUISH OF A YOUNG SOVIET JEWESS

(A telephone conversation: March 21, 1974. Participants: Sheri Berlin and Stuart Lotwin of Los Angeles, California, with Yevgenia Lapidus of Moscow, U.S.S.R.)

Y.L. Hello.

S.B. Hello, is this Yevgenia? Hello, Yevgenia. My name is Sheri Berlin. I'm calling from Los Angeles, California. Zev in Los Angeles gave me your name and we wanted to call and find out how everything is. Can you understand?

Y. There is no news, thank you.

S. No news? Is there any change in the situation in Moscow?

Y. The (inaudible) apply for the visas for the first time now—lots of them.

S. They are going?

Y. No.

S. They are not.

Y. Jews who apply for the visa for the first time.

S. I see.

Y. Three months ago or two months ago—now there are lots of them going out.

S. There are lots going out.

Y. Yes, but the causes are still the same, and there are no changes in the depositions at all.

S. There are no changes in the depositions? Y. Yes, but my parents-in-law yesterday got theirs. They waited for half a year, they applied in October for the first time. Now they hate to go.

S. Now they can go?

Y. Yes, they can, but it's all for the first time. This all is made only for one purpose. To say that we'll let out 95% and there's no use discussing the next 5%.

S. Do you know anything about your situation?

Y. Nothing, thank you.

S. I see. We had a bad report in the Los Angeles Times yesterday about the cut in applications by Jews and that's attributed to some new regulations that have been handed down in Moscow. Do you know about this?

Y. No.

S. Would you like me to read you part of the article? Can you hear?

Y. Yes, if you have time.

S. It talks about the number of Jews applying to leave and says it's falling sharply in recent weeks since the government instituted new regulations making emigration more difficult. You have heard about this? It was in the paper here in Los Angeles, and now many more people are quite aware.

Y. I have heard about this. It has nothing to do with me, because we have all documents. But those who apply once again or for the first time have a lot of difficulties now.

S. Yes, and it talks about people being afraid to apply because they now have to get references from where they are working.

Y. Yes, that's a new question. Thousands of people whom they keep have a very—uh—is very useful to them: such as hunters would kill birds on a stick in the gardens and nobody cares to come in. Just the same when the Jewish people who are suffering for years, who are out of work or out of study, who have nothing to eat, this can be the most useful way to stop the emigration.

S. Yes. Well, we here are very upset about it and our government is very upset. Those of us who are calling you now have some friends and associates in our government who are very disturbed.

Y. Thank you very much, but only I can say, if not for you, I am not sure we have any hope of leaving.

S. I see. We're all doing all that we can to help. We hope that the work we are doing is of some benefit to you. I have one question I would like to ask you. I have written a letter to a lady in Moscow and I want to know if you know her. Her name is Sophia Belntirsokofsky.

Y. Oh yes, I know Sophia.

S. She has two young children.

Y. Everything is all right.

S. Could you give her regards from me?

Y. All right, I shall. Have you got your answer?

S. No. I know that she received my letter, but I haven't received an answer.

Y. I know that a lot of people write to me from the U.S., and I almost never get them.

S. Yes. I sent this letter registered. This one I think she did get.

Y. That does not matter, too.

S. That doesn't matter either?

Y. Even with the certificate of reception. It doesn't matter. I know I was sent about six letters with the certificate of reception and didn't get any. All my friends in the United States send me registered letters, and I never get them.

S. Oh. That's very interesting. We're going to check into that with our Post Office and congressmen, because . . .

Y. with our new of everything's all right.

S. O.K. I will appreciate it if you would talk to Sophia and tell her that I called. We do not have a telephone number for her. Nobody seems to know whether or not she has a telephone.

Y. Oh, and parcels disappear.

S. Pardon me?

Y. Parcels disappear.

S. Do you know if it is possible to contact her by telephone?

Y. I don't know. My uncle sent a parcel to my four-month-old baby on the 12th of January. And still is nothing. I was told that money has been sent to me from the U.S. more than a year ago.

S. Have you talked to the people who sent it?

Y. Yes, and they told me that they would do all their best, but nothing came.

S. Where was this sent from?

Y. From one drive. It was sent several times and now I know the number of the—I don't know what it's called. The money was sent on the 29th of January, and still nothing.

S. Of this year? The 29th of this year?

Y. Yes, the last week—I know about it—it was sent several times. And I didn't get anything.

S. Have you received anything at all?

Y. At all? No! Any paper . . . I don't know . . . about money were sent, but what was sent was something of which I know nothing at all.

S. Do you know where the money was sent from?

Y. Yes. From Illinois. Yes, and I don't know the city. There is someone here who talk to the United States regularly so they told—

S.—to find out. You have talked to the people who sent the money?

Y. Of course I did.

S. And they're checking into it from here?

Y. Usually they are not checking all the money parcels they send and they do not care. But it is a large minus (loss) because all these things frequently earn a real way to succeed (survive).

S. O.K. We will try to check here and see what we can find out about it and I would appreciate—

Y. You must check every parcel, every money which you let go out or there's no use of it.

S. I see. You have my name?

Y. Yes.

S. I would appreciate it very much if you would contact Sophia and tell her we have called, that I was very concerned that she received the letter.

Y. All right, I shall.

S. And we will try to contact the people in Illinois and see what is happening with the money that was sent.

Y. It was too much time ago for them to remember. Thanks very much.

S. O.K. I have somebody else here who would like to speak to you for a moment. His name is Stuart Lotwin.

S.L. Hello.

Y. Hello.

S.L. How are you?

Y. Thank you very much.

S.L. Good. We are all members of a very large synagogue in Los Angeles that has 3,000 members—

Y.—Oh?—

S.L.—and our conversation will be broadcast to everyone. Many of us have important connections into the U.S. government to try to help you and help Sophia.

Y. Thank you very much.

S.L. Let me ask you a few questions about yourself. Are you married?

Y. Yes. I am married. I'm 20. My husband is also 20. I have a baby of 4 months. We both were students. I studied in the Teacher's Training College, in the English Department, and my husband in the Institute of Computers. He is now at work and I am a housewife.

S.L. Is he working?

Y. Yes. He's a factory worker. He earns 60 Rubles a month, if that will give you something.

S.L. Are you working?

Y. Well, I have a baby of four months.

S.L. Can you go back to work?

Y. Now it is very difficult to have work. My father's out of work for a year and a half. My husband was very lucky to get a job.

S.L. I'm glad he's working.

Y. Yes, I'm glad too. I'm simply happy he is working.

S.L. When did you apply for your visa?

Y. In August of 1972.

S.L. August 1972?

Y. Yes.

S.L. Have they made an official refusal?

Y. The first word we had an official allowance of money. In three days we had an official allowance without money. In three days again, our visas were taken back.

S.L. Why were they taken back?

Y. Nobody knows.

S.L. Did they give you any reason?

Y. No.

S.L. Have you reapplied for the visas?

Y. Yes. We reapply for the visas every month, and the answer was the same.

S.L. The answer was the same. What—

Y. I don't know. State visas.

S.L. They say no visas?

Y. State? No—that means nothing. They have a lot of people here who are kept here for state reasons.

S.L. For state reasons.

Y. Yes. It means still nothing, because they have nothing to confiscate.

S.L. On this end we will look into this to try to do something to get them to give reasons so we can understand why no visas are being granted. Do you know the situation with Sophia?

Y. Yes.

S.L. Do you know why her visa has not been granted?

Y. Yes I know. But now they have new difficulties for people that can get their visas. Do you know about that?

S.L. No, I don't.

Y. Well, they have to reapply once again. They must get all documents and characteristics again. New ones.

S.L. New ones. Yes, going through the police. Is that correct?

Y. Yes. There may be two months before they can get their visas. Before allowance they told they can get everything but they can get their visas really only in a month, or two, or three until the (inaudible) of Israel arrives, until they will take all papers from the (inaudible).

S.L. In the United States yesterday, in the major newspapers, there was a long article about what is happening. It was written by American correspondents in Moscow and published by the major newspapers in the United States along with—

Y.—Americans will never able understand anything directly. Not long ago I spoke to your friend and I told her that Sophia will never get her letter. And she asked me "Oh, I sent it registered." Doesn't matter!! There are no—any—umm, no. I shouldn't say this statement.

S.L. Could you talk to her and—

Y.—It was just your friend. And so she told me that she was sure she'd get the letter because it was registered. It doesn't matter whether it was or wasn't.

S.L. You mean they're not delivering registered letters?

Y. Yes. If you want to get this letter, if it is interesting for them, they will leave it for them and nobody will get it. Doesn't matter whether it is theirs with a certificate, or registered, or ordinary. That must be told. If they need the letter they will leave it.

S.L. O.K. What we'll do is we will contact some United States Senators about that. The United States is very concerned about the non-delivery of letters.

Y. No, I mean that Americans will never be able understand anything what's going—

S.L.—What's going on in Russia.

Y. Yes.

S.L. Many Americans are coming to understand, and many senators and congressmen are concerned and doing many things, in addition to the Jackson Amendment. People are, and we will contact these people. Is there anything we can do for you now to help you?

Y. You see—a lot of people, not many—I would say about 100 families in Moscow—need visas dearly. They are suffering and every day—it is terrible. I can clearly say it's true. I've been here for about two years and it's impossible. It's very difficult psychologically, morally, physically, because people are out of work. If you can do, you will please do. I really can't understand how even ten Jews in the whole world eat and sleep safely when 100 families in Moscow are suffering every day and every minute. So if you can do anything for us to get us out of here, please do.

S.L. I will assure you that we ourselves will do everything we can, and that there are others that are trying. Before saying goodbye, I would like to say how courageous you are and the other people, and to keep your courage, and to know that there are many people who want to help you and are going to help you. Try very hard to do that.

Y. Thank you very much.

S.L. All right, We'll talk to you again.

Y. Thank you. Goodbye.

S.L. O.K. Goodbye now.

FEDERAL SUPPORT NEEDED FOR SOCIAL WORK TRAINING

HON. LINDY BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mrs. BOGGS. Mr. Speaker, I would like to call to the attention of my colleagues the following eloquent statement recently prepared by Dr. Bernard J. Wiest, dean of the School of Social Welfare at Louisiana State University in Baton Rouge.

Dr. Wiest convincingly pleads the case for continued support of human resource services and social work training in the face of proposed HEW budget cuts announced for the fiscal year 1974-75. Outlining the importance of quality social work education for the preparation of skilled professionals to deal with the problems of our aged, young, ill, unemployed, disabled, and mentally disturbed, Dr. Wiest warns of the extreme social and economic costs such a budget cut would generate.

I recommend his report to all those concerned with maintaining our commitment to servicing the needy and disadvantaged of our country.

The report follows:

HUMAN RESOURCE SERVICES AND SOCIAL WORK TRAINING—THE CASE FOR CONTINUED FEDERAL SUPPORT

I. THE PRESIDENT'S BUDGET PROPOSAL

For a number of years, the Federal government has recognized the need to provide

a base of support for the training of social workers. This year, however, the President's budget proposes drastic reductions in this support. These cuts are both unexpected and abrupt and can only result in confusion and uncertainty among students and faculty, and, in the long run, serious harm to people and to the nation.

#### II. THE IMPORTANCE OF SOCIAL WORK EDUCATION

Most people growing up, going to school, working, marrying, raising families and growing old—at some point in their lives—find they need some form of help. They become ill, encounter financial difficulties, or develop family or other personal problems. The need for medical, counseling, rehabilitation and other services is not restricted to persons with little or low incomes.

But, programs need staff to plan, administer and provide services. And the people who do this need to be trained. Without enough trained people, neither existing social services nor future innovations and improvements can be effective or economic. Social work education is the basic source of those people.

Social work staff today requires much knowledge and a great variety of skills to deal with many problems of increasing complexity. Graduate schools of social work and undergraduate programs in social welfare have demonstrated their capacity to adapt to the changing times. By providing training geared to today's problems, they are contributing, together with other professions, to the national objectives of reducing the economic and human costs of a host of social problems, such as drug abuse, alcoholism, discrimination, and poverty. More and more, social workers are integral parts of the professional teams which are attempting to deal with juvenile delinquency, crime, and rehabilitation. Social work is a key element in caring for the disabled, the young and the aged and in programs dealing with family breakdown. The increase in population, its urban concentration, the rise and intensification of social problems, all indicate the need for more people with even better training in the helping professions.

#### III. HUMAN NEEDS AND SOCIAL WORK MANPOWER

Social services are concerned with the entire spectrum of human needs as experienced both by individuals or families and by communities. Sometimes in collaboration with other professions, sometimes carrying primary responsibility, the social services are directed toward rehabilitation and care of vulnerable population groups, toward prevention or reduction of social problems and toward change and improvement in dysfunctional systems.

Social workers are involved both in the direct delivery of social services and in the planning, administration and coordination of these services. Programs in graduate schools of social work have sharply increased their emphasis upon preparation for administration, supervision, and other leadership roles. The level of education, however, does not necessarily determine the nature of a social worker's job assignment. Direct services can be provided by a technician without an academic degree or by a social worker with a baccalaureate or a master's degree. The latter is, of course, likely to be doing the diagnosing of the problems and providing highly specialized service in complex situations.

Social work education, on all levels, prepares practitioners who can function in a wide variety of settings. Though the examples cited refer to particular programs, social work training is geared to provide social workers with the basic skills necessary to provide the help needed.

*Physical illness:* social workers, working together with other health personnel participate in developing national and regional policies and programs for the physically ill; administer and plan programs designed to cope with the immediate and long-term problems of the physically ill; help the patient or his family make the kind of plans and obtain the necessary resources to manage while he is hospitalized; help with plans for discharge including specific arrangements for after-care or long-term living arrangements in sheltered settings; supervise direct service personnel in after-care institutions.

*Children:* social workers plan and administer institutional and community-based programs to cope with immediate and long-term needs of children; design and program a range of services to provide equalization opportunities for disadvantaged children, including pre-natal and post-natal services for their mothers; participate in the development of national and regional policies and programs for children; supervise caretakers in institutions for delinquent and neglected children; provide foster home placements and supervision services; undertake investigation of child abuse and recommendation to courts concerning removing of abused children; work for rehabilitation of families in order to protect children from serious and irreparable damage; supervise and train a variety of child care personnel.

*Mental illness:* in addition to the roles described above for the physically ill, social workers head or serve as key staff members for community mental health centers; carry responsibility for working with family members so that they may aid in, or at least not interfere with, treatment efforts; locate and supervise foster homes for patients who are able to live in the community; train and supervise caretaker personnel; develop alternate facilities for the long-term care of those not ready for independent life.

*Aged:* social workers participate in the development of national, regional and local policies and programs for the aged; assist the aged person or his relatives in defining the problem for which help is needed and in location or developing suitable resources; recruit, train and supervise personnel to work with the aged, both in the community and in institutions; plan and administer a variety of different programs, both in the community and institutions, to cope with the varied problems of older people who no longer are able to care for themselves.

While the specifics of what the social workers do in relation to any given population group may differ, their responsibilities and tasks follow, in general terms, the examples cited.

The majority of social workers with graduate education are employed in planning and policy development, administration and supervision, teaching and research. It has always been the typical employment found among master's degree holders within a period of three to five years after receiving the degree. Increasingly, however, students are entering such positions immediately upon receiving their master's degree.

Direct services are provided by social workers from all levels of educational preparation. Broadly speaking, their efforts may be classified along several dimensions. In terms of goal, social workers provide services which are designed (1) to effect a reasonably satisfactory adjustment of the person in the community, thus minimizing the cost and trauma of institutionalization, (2) to rehabilitate the person so that he can lead an independent and productive life, or (3) to provide long-term care in as humane and effective a way as possible for those who cannot be expected to function on a more autonomous level. In terms of target, the efforts of social workers are generally directed at the victim or clients,

but frequently their work is primarily with others, such as members of the family, employers, or potential employers, school, police, etc.

Different kinds of preparation and education are needed for workers at different levels of work. For many of the problem areas in which social workers are active, a degree of expertise is needed that requires intensive study and the development of a high degree of skill. Though social workers with a minimum of education or with only agency training can successfully function at an appropriate level of service, all fields require some personnel with a high degree of expertise to plan and administer services. There is a particular and continuing need for social work personnel at the middle management level.

#### IV. SOCIAL WORK AND PUBLIC ASSISTANCE

One of the most critical issues facing governments in 1974 is the ever growing welfare cost. Many people regard "welfare" or "relief rolls" as synonymous with social work. There is a distinction between provision of social services and provision of income maintenance. No amount of professional service—social work, medical, nursing, or education—can provide the dollars needed to pay rent or buy food or have prescriptions filled or buy the shoes needed for a child to go to school. The necessity of meeting basic economic needs must be distinguished from those needs that require additional care and service and use of a variety of resources to help people who can, to become self-maintaining. It must also be recognized that many of the aged, some of the ill, and all of the children (until they grow to adulthood) on public assistance cannot become self-sufficient.

#### V. SOCIAL WORK EDUCATION PRODUCES NEEDED PERSONNEL

Qualified social work personnel required to plan, administer and provide social services are prepared through various educational programs. The social work education system in the United States consists of: 70 graduate schools of social work in major universities which grant 5,000 master's degrees and about 90 doctoral degrees each year; over 200 undergraduate baccalaureate programs in social welfare with over 7,000 graduates; close to 100 two-year community college programs offering associate degrees which prepare community and social service technicians; and hundreds of continuing education programs conducted by educational institutions and agencies which reach thousands of social workers each year.

There is general agreement in social work and in most other professions that there is need for training programs to prepare professional, paraprofessional and technical personnel. The challenge is to identify and distinguish tasks so that manpower with different levels of education will be effectively used. Social work education has played an active leadership role in this effort. In the past few years, social work education has developed new programs at the baccalaureate and associate degree levels in addition to existing master's and doctoral degree programs.

#### Innovative Curriculum Developed to Deal with Contemporary Programs

During the past decade social work training has been making a major shift in the focus and content of its curriculum. Changes were made to respond to new and persistent problems, to the needs of specific population groups and to the shifts that were occurring or were being planned in the organization of services. Schools developed new courses related to certain population or problem groups, the aged, the mentally retarded, the juvenile and adult offender, the physically handicapped. Major changes in social



work education also occurred with changes in the organization of services, e.g., the emphasis upon community mental health programs, service to residents in public housing projects, multi-service centers in local neighborhoods, and "grass-roots" community groups. These changes reflected a growing concern for inner city populations, the rural and urban poor, and the major ethnic minorities.

In the past few years there has been a major shift in social work education toward the preparation of generalists as well as planners and administrators. The generalist social worker is equipped to deal with a variety of tasks at the neighborhood and community level. The proportion of graduate students training for administrative and organizing tasks has also increased. Undergraduate programs have begun to prepare their graduates for beginning practice in a variety of settings instead of only serving as aides in specific fields. The preparation of technicians at the community college level is a recent development but already growing rapidly.

People trained in social work are employed by public and voluntary agencies to provide needed social services. About 90 percent of master's degree graduates enter full-time employment, the majority in public agencies and mostly in child welfare and mental health. About two-thirds of the baccalaureate degree social work graduates enter employment mostly in the public social services in their local area. Over 10 percent go on directly to graduate education. It is rare for social workers to leave human services. Women do leave employment for marriage and motherhood but large numbers later return to full-time work.

#### *Social Work Training Offers Special Opportunities For Minority Groups*

The proportion of minority groups is greater in graduate social work education than in any other discipline or professional education program. Social work education has been in the forefront of efforts to open opportunities for minority groups. In the 1973-74 academic year over 25 percent of master's degree students and 10 percent of doctoral students in graduate schools of social work were from the following five major ethnic minorities: American Indians, Asian Americans, Chicanos (Mexican Americans), Blacks and Puerto Ricans. Also about 20 percent of all faculty in graduate schools of social work are non-white. The social work curriculum, at all levels, is being enriched to help all students to learn more about the life styles, strengths and problems of minority groups and to be able to work more effectively with them.

#### VI. THE COST OF REDUCING FEDERAL SUPPORT

Continued Federal support for social work education is necessary:

The proposed cuts will cause serious and irretrievable damage. Many graduate schools and undergraduate programs will be forced to reduce radically or to discontinue their educational efforts.

During the past decade the capacity of the social work education system expanded rapidly and decisively at the request of the federal government to meet urgent human needs. Cutting support now will undermine our nation's capability to meet its social goals.

Currently, more than 50 percent of all graduate students in social work receive stipends funded directly or indirectly by the federal government; in awarding these stipends, emphasis is given to the students coming from low socio-economic, disadvantaged and minority groups. Cutting support now will hurt these groups, especially since neither they nor universities they attend have access to alternate support sources.

It has taken the better part of a decade, with the help of federal funds, to build up the kind of quality faculties found in graduate and undergraduate social work programs today. Cutting support now will reduce the schools' ability to maintain quality education and develop innovative educational programs. The consequences will be felt in fewer students less adequately prepared to face the tasks of the future.

Since the alternate support sources for social work education from local and state government and individual or corporate giving are not available, the consequences of reducing federal support will be disastrous. The cost incurred by providing fewer trained social workers will surely be far greater than any economies achieved through the proposed reduction:

Needs are met best with least expense when they are identified early; unmet and unserved "little" problems soon develop into more expensive "big" problems. Trained social workers, educated at various levels, are needed to identify problems, develop strategies and deliver the intervention services necessary to counteract these problems or reduce their impact, and

Unless those who man direct service positions receive training and on-going supervision, costly mistakes resulting in more expensive service will be made. A reduction in the number of social work students now, predictably will make available fewer, not more trainers and supervisors for the public service in the next decade.

The reduction of federal support for social work education will hinder, not help, the development of new and more effective social service delivery systems necessary to help children, adults, and families to become self-sufficient, healthy, and productive citizens.

### NIXON DESERVES DUE PROCESS

#### HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 20, 1974

Mr. MICHEL. Mr. Speaker, while some of the larger newspapers around the country have been calling for the President to resign, I think it is appropriate that other views receive attention, as well.

An editorial appearing in the May 13, 1974, edition of the Galesburg Register-Mail of Galesburg, Ill., entitled "Nixon Deserves Due Process" takes the position, with which I agree, that the President should not resign and that the constitutional process now in motion should be allowed to work its way to an ultimate conclusion.

One sentence in the editorial could actually serve as an admonition to those of us in the Congress who will be dealing with the impeachment question and I commend it to my colleagues as a phrase that should be kept uppermost in our minds.

This is a momentous time in American history, and for history's sake, we must make certain that this time is recorded as one of reasonable and just men who overcame one of the country's greatest challenges with dignity.

The editorial follows:

### NIXON DESERVES DUE PROCESS

That "third-rate burglary" at Democratic National Headquarters in the Watergate complex in June of 1972 has come a long way.

Its aftermath, and it has been a slow, devastating political mudslide, has led to an impeachment inquiry against the President of the United States, only the second such occurrence in the history of the Republic.

We have said before in this space that the nation's government had been badly damaged by this scandal, and that the people's confidence in governmental officials has been badly shaken. We have attempted to show the severity of a self-perpetuating scandal which has reached into the highest ranks of government and literally pulled down presidential advisers, Cabinet members and the Vice President. We have taken President Nixon to task for his administration's assault on the constitutional rights of the press, and we have condemned his handling of the Watergate investigation.

Now, Mr. Nixon has sought to quell the public and political animosity aimed at him by releasing transcripts of his private conversations with the White House staff. Yet the transcripts do not vindicate him of any complicity in the Watergate cover-up, and they do portray a behavior that is unbecoming of a President of the United States.

But we cannot join the growing swell of politicians and newspapers who have publicly urged the President to resign from office, or insisted that he be impeached by the House of Representatives.

We do not believe that the country's best interests can be served by his resignation. Those who contend a new President will renew citizen faith in government or alleviate the domestic chaos, will have difficulty proving their case. Public confidence has been badly eroded during the Nixon administration, but to suggest the erosion originated there is shortsighted. The country is in a bad state of affairs domestically, but Mr. Nixon's resignation won't heal a sick economy, provide better health care and housing, or soothe social unrest.

To suggest that President Nixon resign to spare this country the trauma of the impeachment process is irresponsible.

We protested when Mr. Nixon endangered the constitutional freedoms of the press; we protested when Republicans and Democrats urged their colleagues on the House Judiciary Committee to shirk their constitutional responsibilities and take a partisan stand on the President's guilt or innocence. And we will protest any effort to deny the President his constitutional right to due process.

While the chief executive cannot be considered just another average American citizen, like the average citizen he has the constitutional right to face his accusers and to establish his innocence. In the President's case the judicial process functions in the Congress and not in the courts.

The American people, on the other hand, have a constitutional obligation to provide the President that judicial process, and they must endure whatever hardships that process imposes.

Those who are crying for the President's impeachment are doing so without all of the facts, and that, too, is irresponsible. Just as the facts available in the transcripts do not vindicate Mr. Nixon, they alone do not convict him either.

This is a momentous time in American history, and for history's sake, we must make certain that this time is recorded as one of reasonable and just men who overcame one of the country's greatest challenges with dignity.

To do otherwise would only darken the black mark inflicted on this nation by the Watergate scandal.