

## DEPARTMENT OF THE TREASURY

Jack Franklin Bennett, of Connecticut, to be Under Secretary of the Treasury, vice Edwin S. Cohen, resigned.

## DEPARTMENT OF STATE

Armistead I. Selden, Jr., of Alabama, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to New Zealand, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to Fiji, to the Kingdom of Tonga, and to Western Samoa.

## NATIONAL LIBRARY OF MEDICINE

The following-named persons to be Members of the Board of Regents, National Library of Medicine, Public Health Service, for the terms indicated:

Term expiring August 3, 1976:

Eddie G. Smith, Jr., of the District of Columbia, vice Max Michael, Jr., term expired.

Ethel Weinberg, of Pennsylvania, vice George William Teuscher, term expired.

Term expiring August 3, 1977:

John William Kauffman, of New Jersey, vice William O. Baker, term expired.

Joseph Francis Volker, of Alabama, vice Jack Malcolm Layton, term expired.

## IN THE COAST GUARD

The following officers of the Coast Guard for promotion to the grade of lieutenant (junior grade):

Raymond K. Kostuk	Bienvenido Abiles
LaIRD H. Hall	Winston S. Jones
Gordon N. Hanson	Thomas F. Dolan
John J. A. Murray, Jr.	Jeffrey A. Hibbitts
John T. Sugimoto	Gary B. Coye
Dennis G. Beck	Richard A. Knee
Steven C. Borloz	Stephen R. Osmer
Benjamin J. Stoppe, Jr.	James W. Norton
Larry R. Ganez	Bruce E. Nelnick
Richard E. Meed	William R. Armstrong
Gary L. Frago	Robert W. Zider
Patrick M. Stillman	Charles F. McCarthy, Jr.
Dennis M. Egan	Marlin L. Shelton
Fenn F. Shade	Edward J. Peak
David A. Rogers	Thomas N. Gilmour

Richard J. Sellers	Hampton E. Beasley, Jr.
Craig P. Coy	Patrick J. Popieski
William H. Wissman	Martin C. Eger
Christopher C. Burns	Stephen R. Campbell
Arthur E. Crostlick	John W. Whitehouse
Joseph A. Stimat	William F. Carson III
Arthur R. Butler	Ronald C. Gonski
Michael B. Garwood	Phillip T. Bird
Norman B. Henslee	William B. Wittmeyer
Dennis D. Rome	John J. O'Neill, Jr.
Edmond P. Thompson	Phillip C. Smith
Dirk D. Young	Herbert R. Williams
Robert J. Wells, Jr.	Alan D. Summy
Terry W. Newell	Rex A. Buddenberg
James W. Gormanson	Carl R. Smith
Harry W. Forster, Jr.	Gordon J. Lawrence II
Steve S. Sheek	Galen W. Dunton
James H. Richardson	Thomas J. Meyers
James R. Matwick	James E. Whiting
Lawrence G. Brudnicki	Francis J. Kishman, Jr.
Samuel R. Brooks III	Jan E. Terveen
John S. Merrill	James M. Copper
James M. Alderson	Joseph H. Jones, Jr.
Thomas J. Love	James W. Meyer
Christopher C. Oberst	Willard M. Collins
William M. Bannister	Mark D. Noll, Jr.
Frederic R. Gill	Gary M. Hell
Jimmy Ng	Melvin H. Demmitt
Danny D. Benefield	Michael D. Hathaway
Joel D. Gunderson	F. F. Litchlitter III
John C. Malmrose	Tim B. Doherty
Richard T. Buckingham	Wayne H. Ogley
Walter G. Johnson	James W. Underwood
Robert C. Mueller	Edwin E. Rollison, Jr.
Charles F. Klingler	Woodrow P. Vaughn
Joseph M. Kyle, Jr.	Hugh T. H. Grant
John R. Shannonhouse	John A. Martin
Thomas D. Yearout	Danny J. San Romani
Charles B. Williams	Gary R. Westling
Clay A. Fust	Steven D. Poole
James F. McCarthy III	Richard W. Withers
Narrie A. Travis, Jr.	Christopher H. Waring
James McEntire, Jr.	James L. Rohn
Henry F. Bailey IV	Edward E. Page
Erroll M. Brown	Dennis J. Gillespie
Michael D. Shilde	Bradley J. Niesen
	Gary L. Swan
	Robert D. Innes, Jr.

Robert W. Vall	David L. Walts
William B. Turek	John P. Foley
Paul L. Barger	Gregory D. Lapp
Dean L. Harder	Paul J. Howard
Bruce C. McCurdy	Timothy C. Healey
Loren M. Marovelli	Kirk A. Smith
Michael W. Ragsdale	Norman D. Robb
William H. Fels	Francis J. Sambor
Robert F. Duncan	Michael M. Matune, Jr.
John M. Gray III	John J. Giglio
John M. Crye	Glenn A. Gipson
John G. Calhoun	Carlos M. Morales
John W. Larned	Richard W. Fish
Scott L. Anderson	Dennis A. Sande
Kevin J. Scheid	Dennis E. Oldacres
Craig A. Leisy	Frederick L. Johnson
John A. Rodgers	Anthony Dupree, Jr.
Stephen P. Ziomek	Ronald L. Endsley
Charles A. Farnsworth	William P. Foreman
William P. Foreman	Gary C. Rowland
Thomas C. Paar	John L. Congdon
Thomas C.	Richard W. Tate
Melsenzahl	John C. Luther
John K. Synovec, Jr.	Grover C. Breckenridge
Kenneth A. Forsythe, Jr.	James D. Jones
James H. B. Morton, Jr.	James E. Andrews
David L. Engan	Mack E. Moody
Jeffrey A. Hill	William H. Bourland
Harold E. Bianey, Jr.	Joseph A. Walker, Jr.
Michael P. Decesare	Norman K. McBride
Robert R. Halleck II	Kenneth R. Grover
Joseph E. Blanchard	William J. Thrall
Merritt H. Aurich IV	Joseph W. Thibault
Steven B. Spencer	Robert E. Drake, Jr.
Douglas S. Neeb	Robert C. Winter

## CONFIRMATION

Executive nomination confirmed by the Senate February 7, 1974:

## U.S. PATENT OFFICE

Curtis Marsall Dann, of Delaware, to be Commissioner of Patents.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

## EXTENSIONS OF REMARKS

## WHO REPRESENTS OLDER AMERICANS?

## HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 7, 1974

Mr. RARICK. Mr. Speaker, it seems that every lobby group in Washington is in the business of publishing "voting compilations" for the Congress. They select a handful of isolated votes, rate Congressmen on a scale of zero to 100 based on those votes, then proceed to broadcast which Members are for or against the aims of the special interest group publishing the scorecards.

The danger in this time-honored Capitol Hill tradition is that the votes selected may not always represent a Congressman's true attitude on the overall issue. A case in point occurred just a few weeks ago.

I am sure that the other 28 Members and 6 Senators were as surprised as I was to learn that we had attempted to "hoodwink" the elderly voters. This amazing bit of misinformation was con-

cluded by the National Council of Senior Citizens, based on 10 votes selected by the organization. Those of us who have always tried to cast our people's vote for the benefit of all our citizens, including the elderly, found this conclusion perplexing.

Of the 726 votes and quorum calls during the 1973 session, the group selected 10 votes that were supposed to represent "the needs of America's elderly." A closer look at the selection would lead one to question whether those votes were more representative of the thinking and aims of big labor bosses, rather than votes crucial to older Americans. Every vote called for additional government spending. By now we should have learned that additional inflationary spending and more big brother Government only adds to the burden of every citizen. This is especially true of the elderly in this country living on a fixed income. They of all people can least afford a soaring inflation rate.

But the National Council of Senior Citizens, an offspring of the Senior Citizens for Kennedy and Johnson organization from the early 1960's, chose votes of questionable benefit to the elderly.

Casting a vote for pirating our Federal aid to highways trust fund, increasing the cost of food by extending the minimum wage bill, socializing the legal profession under Government control, or deteriorating medical services under non-medical people would not be in the best interest of the great majority of our elderly citizens.

The organization's close ties with the AFL-CIO and the National Democratic Party makes their vote choice understandable. NCSC's national president, Nelson A. Cruickshank, formerly of the AFL-CIO's social security division, apparently continues to follow his former employer's goals in his new position. I understand that the group receives some of its financial support from big labor, and borrows freely from the COPE staff on occasion. In the last election it endorsed and actively supported Senator McGovern's campaign. The NCSC has an active public relations oriented lobby organization at the national level, but their grassroots membership is relatively small, between 200 to 300,000 members.

It is always to the benefit of lobby groups for Congressmen to side with them on an issue. The real measure of a

legislator's attitude is, does he side with the people in his district. Congressmen know who they represent, but the American people do not know who the lobbyists really represent.

ADMINISTRATION'S POSITION ON  
ENERGY R. & D.

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 7, 1974

Mr. UDALL. Mr. Speaker, the Environmental Subcommittee, which I chair, of the Committee on Interior and Insular Affairs is proceeding with its deliberations on H.R. 6602 and related bills to establish a national nonnuclear energy program.

During our hearings on this subject, representatives of the Office of Management and Budget and the Federal Energy Office appeared and, among other topics, discussed the relationship of various agencies, both existing and proposed, in the field of energy. Of particular interest was the administration's position on how the country's R. & D. program should be administered.

There are various proposals on this subject and a number of issues which are yet to be resolved. In this regard I am today inserting a letter I have received from Roy L. Ash and William E. Simon which sets forth the administration's position on this matter for the information of interested Members:

THE WHITE HOUSE,

Washington, D.C., February 6, 1974.

HON. MORRIS K. UDALL,

Chairman Environmental Subcommittee of the Interior and Insular Affairs Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: On January 31, 1974, Messrs. Frank Zarb and John Sawhill testified on behalf of the Administration as to the best Federal Government organization for energy research and development. In reviewing the question and answer exchanges with the Committee members, we feel that some confusion may still exist and that a more thorough statement in writing would assist the Committee in understanding our position.

The organization for energy R&D cannot be considered by itself, but must be related to the total energy responsibility. In addition, energy R&D is integrally related to the management of all of our natural resources. Finally, as you indicated in your own remarks, the Federal role and programs are only a part of the total answer, and great care is needed in keeping the Federal role in proper perspective with the private sector responsibility.

For several years, it has been clear that a new Federal organization is needed to coordinate both energy and natural resources. In March, 1971, the President submitted to the Congress a modernized expanded Department of Natural Resources to solve this problem. The current energy situation has heightened the need for such an organization. We still firmly believe that such a major cabinet department is the most effective organization structure for the government in integrating and managing its energy/natural resource responsibilities, and in its

ultimate form would contain both ERDA and FEA. We have always recognized that such a major departmental reorganization involves the concerns of a great many interests and would require careful Congressional scrutiny and perhaps some change before it could be enacted.

Therefore, we have felt free to make constructive changes where needed, in many instances to reflect the views or interests in the Congress. This has been especially true in the energy related areas.

Pending Congressional action, last Fall the President, by Executive Order, established the Federal Energy Office. However, recognizing that FEO lacked appropriate statutory basis and authority, we simultaneously submitted legislation calling for creation of such an organization—designated the Federal Energy Administration, which has been described in detail in Congressional hearings.

At the same time, we felt it necessary to move urgently on the energy R&D front. We feel a sense of urgency because we recognize that we are facing the need for a rapid buildup and upgrading of our total energy R&D program, especially in the fossil fuels area and in solar and geothermal work where our government capabilities are very small. Even though the results from such R&D work may be years away, we feel we must move immediately to assemble and train the high skills which the program demands.

After looking at a number of alternatives, we concluded that we could build up our total energy R&D capability most rapidly and across the widest range of programs, by building on the capabilities of an existing agency—in this case, the Atomic Energy Commission, with its existing national research laboratories, contract management staffs and experienced R&D management skills. This was the genesis of the Energy Research and Development Administration legislation which has already passed the House. We see ERDA not as a threat to the need for fossil fuels research, but rather as our best opportunity to bring R&D in fossil fuels, geothermal and solar energy swiftly up to necessary levels of funding and technical excellence, by making use of the organization, management, authority, physical facilities, and technical expertise which will be assembled in ERDA. Without ERDA we have no existing agency capable of the task.

One of the least understood dimensions of the Federal role in facing up to our national energy problems is what we have called "energy resource development." The great bulk of responsibility for assuring that we have supplies of energy to meet our demands lies with the private sector. It is our assessment however, that there are a great many ways in which the Federal Government, working with the private sector, can encourage and help it to expand energy production. This may involve cutting governmental red-tape, eliminating or simplifying constraints which tend to curtail production, strengthening economic incentives for production, expediting Federal or State/local decisions, and a variety of other means. FEO, and FEA when enacted, would serve this role within the framework of the total National energy policy which it would be instrumental in developing. This kind of energy resource development uses existing technology and can pay off over the next several years, particularly in the 1974-80 time frame. It is in this area that industry anticipates that \$200-500 billion of investment over the next 5-10 years will be needed.

With this in mind, the respective roles of FEA and ERDA can be made clear. FEA's responsibilities include dealing with the current crises by establishing allocation, rationing (if needed), price controls and conservation programs to equitably balance shortages

of fuel supplies in relation to demand. FEA would collect, analyze and assess data on energy supplies and consumption and make policy recommendations. FEA would also have responsibility for the Federal role in expanding supplies of energy using available technologies. This includes expediting energy resource development projects such as the Alaskan pipeline, Outer Continental Shelf leasing, as well as greater use of coal, oil shale and outer energy resources. It would also study the role of government in assuring that adequate economic incentives exist for industry development of domestic energy resources.

The Energy Research and Development Administration is proposed as a central agency for the management and leadership of Federal energy R&D programs for the purpose of developing new or improved technologies for energy production, conversion and utilization. The development of technology (energy R&D) is ERDA's responsibility. The development of expanded energy supplies with available technology is FEA's role.

The technology development involves high risk, strong management and a joint Federal/private sector relationship. Our ERDA proposal and the \$10 billion R&D program are designed to achieve the technology goal. In arriving at her \$10 billion program, Chairman Ray's analysis indicated that industry may spend as much as \$12 billion for energy R&D over the next five years for this purpose.

As you know, FEO currently has responsibility for coordinating overall energy matters within the Executive Branch. Once FEA and ERDA are established there may still be the need for a small central office in the Executive Office of the President to provide coordination. Alternatives are being carefully considered.

In summary, the Administration felt that, because of the urgent need for immediate action and the apparent difficulty in enacting a Department of Energy and Natural Resources it was necessary to obtain FEA and ERDA. Both ERDA and FEA are designed to stand alone as fully functioning organizations meeting real and important needs. Even when enacted and operating however, the President has asked the Congress to turn its attention once again to the consideration of DENR as the best ultimate organizational solution for the Federal role in energy and natural resources.

I hope that this further clarification will aid your Subcommittee in its deliberations. Should you have further questions, please feel free to contact either of us, and we appreciate the opportunity to express our views to you and your Subcommittee.

Sincerely,

ROY L. ASH,  
WILLIAM E. SIMON.

MASSACHUSETTS STATE SENATE  
RESOLUTION ON THE ENERGY  
CRISIS

HON. HAROLD D. DONOHUE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 7, 1974

Mr. DONOHUE. Mr. Speaker, I am pleased to include in the RECORD a copy of the resolution, relative to the energy crisis, that was adopted by the Massachusetts State Senate during its session on January 21, 1974.

The resolution indicates the very earnest and timely concern of the members

of the State senate about our national and regional energy shortage problems. It rightfully urges the fullest exploration and consideration of every suggestion and proposal, including the Dickey-Lincoln project in Maine, that could possibly contribute an additional amount of energy to the people in the Northeast and throughout the country. The final objective of such exploration is, of course, to make our Nation self-sufficient in power supply and independent of foreign source in the future.

The intent of the State senate resolution is commendable. I am confident that all Members of Congress will extend, as I have consistently done in the past and will continue to do, cooperation in the basic purpose of the resolution by very thoroughly studying and reviewing the potential energy contribution and economic feasibility of every proposal that could possibly provide additional power at lower costs to the overburdened average consumer in our region and country.

The resolution follows:

THE COMMONWEALTH OF MASSACHUSETTS—  
RESOLUTION RELATIVE TO THE ENERGY  
CRISIS

Whereas, The nation and particularly the New England region is confronted with a major energy and environmental dilemma; and

Whereas, Extensive engineering and economic studies conducted some ten years ago by the Department of the Interior demonstrated to the satisfaction of President Kennedy the feasibility and relative environmental desirability of developing the extraordinary tidal characteristics of the Passamaquoddy Bay area for hydroelectric production; and

Whereas, Such development, including the Dickey-Lincoln School hydroelectric installations would have provided some 1,250 megawatts of electricity (mostly peaking power) to northeastern America, with annual power benefits in excess of \$40 million in the form of a power supply available at about 25% less than the then prevailing cost; and

Whereas, The combined project would have represented a Federal resource—developing investment of more than \$1 billion in the New England area and entailed some 15,000 man-years of on-site employment; and

Whereas, Private international investors have recently been organizing to develop similar tidal sites in Nova Scotia; and

Whereas, Electric power is expected to be increasingly required, especially for mass transit and industry; and

Whereas, The mounting costs and the precariousness of supply of imported petroleum is drastically transforming the economy of energy; and

Whereas, The Congress has recently responded to the crisis by providing in the Emergency Energy Act for the preparation of plans for the development of hydroelectric resources; and

Whereas, The Massachusetts Senate is gravely concerned about the development of the economic base of New England and about the protection of the environment as well as insistent that the few natural energy resources that the northeast possesses be wisely and equitably developed; now, therefore, be it

*Resolved*, That the Massachusetts Senate respectfully requests the Congressional delegation from this Commonwealth and the other states of the northeastern area to assure reconsideration of the entire project as presented in the July, 1963 Report by Secretary Udall to President Kennedy as a major element in the forthcoming appraisal of our national hydroelectric potential; and be it further

*Resolved*, That a copy of the foregoing resolutions be transmitted forthwith by the Clerk of the Senate to the Congressional delegation from this Commonwealth and the other northeastern states.

Senate, adopted, January 21, 1974.

INDIANA GENERAL ASSEMBLY  
RESOLUTION

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 7, 1974

Mr. LANDGREBE. Mr. Speaker, on January 30 and 31, the House and Senate of the Indiana General Assembly passed a concurrent resolution expressing concern about the detrimental effects Federal health legislation has had on the private practice of medicine, and requesting the Congress and the administration to take immediate action to eliminate unwarranted interference with the private practice of medicine.

The resolution specifically mentions the professional standards review organizations which were provided for in the Social Security Amendments of 1972, Public Law 92-603. These organizations will have the power, among other powers, of requiring confidential information on patients to be divulged to the Government by their physicians.

Yet physicians, upon graduation from medical school, swore an oath which includes the words:

And whatsoever I shall see or hear in the course of my profession in my intercourse with men, if it be what should not be published abroad, I will never divulge, holding such things to be holy secrets.

The claim of the Government to information which the physician has sworn not to divulge places doctors who take the Hippocratic oath seriously in the position of having to violate their oaths, or refusing the Government access to their records and thus breaking the law, or ceasing the practice of medicine.

Already one effect of Federal Government regulation of private medicine can be seen in experienced doctors quitting their practices of medicine. The removal of one physician in Indiana from practice caused one of his patients, a member of the Indiana General Assembly, to introduce the resolution passed by the General Assembly and printed below.

Physicians quitting their practices are a highly visible effect of Government regulation of private medicine. One not so visible effect, and in the long run, a more disastrous effect of Government interference in the medical marketplace, will be the deterrence of some of the best and brightest of American youth from the field of medicine.

The resolution follows:

RESOLUTION

A concurrent resolution expressing concern for the involvement of the United States Congress and certain federal administrative agencies with private health care and requesting a re-evaluation by the United States Congress and national administration regarding health care services.

Whereas, The ability of citizens to ade-

quately enjoy and effectively contribute to the opportunities of society depends to a great extent upon their individual state of health; and

Whereas, The primary responsibility for providing for health care rests upon the medical profession; and

Whereas, The Congress of the United States and federal administrative agencies have, in recent years, initiated a number of programs having an impact upon the medical profession which include: administrative controls on hospital and laboratory utilization, total review of all aspects of medical care by professional standards review organizations, increased controls by governmental planning bodies, preferable treatment through tax subsidies to new health care delivery systems as opposed to private medical practice and the threat of a national health care delivery system which would ultimately lead to total control both of physicians and their patients; and

Whereas, These actions have significantly reduced the ability of physicians to exercise their best judgment on behalf of their patients, decreased the amount of time available for patient care, increased the cost of health care, reduced the attractiveness of the medical profession to able young men and women, and threatened to restrict the freedom of choice for patients: Therefore

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:

SECTION 1. That the 98th session of the Indiana General Assembly expresses concern over these negative impacts of current policies and requests the United States Congress and the national administration to re-evaluate current federal policy regarding provision of health care services and take appropriate steps immediately to eliminate unwarranted interference with the private practice of medicine.

SECTION 2. Copies of this resolution shall be forwarded to the President of the United States, the Secretary of Health, Education and Welfare, the director of the Department of Health and all Indiana United States Senators and Representatives.

POLITICAL PRISONERS AND  
HUMAN RIGHTS

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 7, 1974

Mr. RARICK. Mr. Speaker, some of the same voices in our Nation's Capital which have been bemoaning our relations with Chile, South Vietnam, Greece, and the Soviet Union because of what they call political prisoners and deprivation of human rights have now joined the voices of the change agents calling for normalization of relations with Castro's Cuba.

Strangely, none of those who express concern over political prisoners, police brutality, and human rights, have as yet called for a discontinuance of those oppressive measures by the Castro dictator before any "peaceful resumption" of trade, commerce, and tourism with that country. Overlooked from the flashy headlines and instant news analyses is the tyrannical condition of Cuban rights under Castro.

Dr. Manolo Reyes, a Cuban-American exile in Miami, has testified on several occasions here in Congress that there

are in excess of 80,000 Cuban citizens presently held behind iron bars or in "rehabilitation" work camps in Cuba today. Dr. Reyes' last statement was on October 16, 1972, at which time he testified that Castro executed 33,000 of his own Cuban countrymen in his 12½-year rule. Castro, himself, in his long-winded political filibusters to maintain control by the use of intimidation of human rights has admitted confining 20,000 dissenters. And this does not include the more than 700,000 Cuban exiles and refugees who have voted for freedom by fleeing to the United States from the "glorious Utopia"—communism under Cuba, as inflicted by Castro upon those wonderful people.

Political prisoners and deprivations of human rights in Cuba just 80 miles off our coast, goes not only unnoticed, but if diplomatic relations are normalized, would be rewarded.

### STRANGLING MASS TRANSIT HOPES

**HON. FRANK J. BRASCO**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 7, 1974

Mr. BRASCO. Mr. Speaker, on all sides we hear the cry that alternatives must be found to the private automobile. Few rational beings disagree with such a fine sounding homily. The next logical question is, What form shall such alternative take? Our answer is always the same—urban mass transit.

As a city dweller, I have long been saying just that, echoing the beliefs and desires of the overwhelming majority of my constituents. Our cities, particularly New York, will survive or perish, depending on the state of their mass transportation.

For years now, New York has grown ever more dependent on mass transit arteries, which are inexorably growing more dilapidated, rundown, unsafe, dirty, and expensive. As the subways and other mass transit alternatives have deteriorated, our need for them has grown. Today, New York cannot function without them, yet increasingly they are malfunctioning. It presents an intolerable situation to the 12 million citizens of the greater New York area who in one way or another depend on these systems.

What is happening in New York is taking place in every other major metropolitan area in the country. New York may have it happen first and worst, but no community of size can escape the problems appearing in our greatest city.

As this state of affairs has grown ever worse, we have come to the Federal Government, seeking alleviation of our plight and an understanding of the situation we are confronted with. Rarely has our effort met with even minimum success. Ignoring the vast majority of the taxes we pay, the Federal Government has blissfully ignored our plight. Even though we pay far more money in Federal taxes as a group than we receive in return in the form of Federal programs, our re-

quests for urban mass transit assistance have not only gone unheeded but have been ridiculed as urban handouts.

Today, it is not a question of arguing on the merits of the case. Even the dolphish among city haters can see for themselves that metropolitan America is floundering in a morass of basic troubles, caused by inability to do simple, basic things, such as travel across cities. Also, even the imbecilic can see that when the cities perish, the suburbs and countryside will also succumb with little further delay.

So at last the grand moment of enlightenment bursts upon America, and the cry goes up for us to avail ourselves of other modes of transport. The oil companies, by engineering the energy crisis, have in effect added the last straw and done America a favor, albeit unintentional.

Voices in the Congress have been heard calling for aid to urban mass transit who ordinarily would not have known a bus from a streetcar, causing we city folks to boggle at the sight of their sense of urgency and the noises accompanying their enlightenment. And leading the pack has been our fearless and beloved leader, President Nixon, who has called for more use of mass transit to ease the energy shortage.

Hosannas all around. Raise the flag, sound the horns and beat the drums. Enlightenment rages like a pestilence. Grateful city types have of course anticipated the forthcoming Federal aid with which to refurbish and upgrade their mass transit systems.

And then our good President caused his Office of Management and Budget to block Federal funds for cities to start new rail transit systems. On September 14 of last year, OMB sent a directive to the Department of Transportation, ordering that no funds "be used for new start grants in fiscal year 1974 on rail rapid or commuter rail transportation." When criticized, they indicated that they believed the cutoff of funds for new rail systems would not interfere with any city's construction plans.

Although the President has now belatedly offered his own version of aid to mass transit, it would mean less funds for operations of vital systems, and still reflects his opposition to any program of operating subsidies alone. What we need is a simple program of massive Federal assistance to the daily operations of such systems, without strings attached as are to be found in the President's version. Our need is immediate, particularly in light of the crush of new mass transit riders created by the energy shortage.

The American Transit Association estimates that some 10 million Americans presently patronize mass transit systems in rush hour. Some 6.8 million more could and would join them if the systems could accommodate them. So it is obvious that we have a golden opportunity at this juncture to actually do something about one of the problems harming the quality of American life so basically on a daily basis.

To accommodate all the additional riders, some 25,000 more mass transit vehicles would be needed. Therefore it is essential that operating subsidies be

made available to localities by the National Government. Congress sought some \$800 million in such funds over the next 2 years, and final congressional action was imminent. Now the administration's actions hamstringing all major efforts, and the entire country shall bear the brunt of this stand.

Fringe parking, carpooling, and the other laudable measures are mere stop-gaps compared to what we really need—the very aid the administration is preventing. It is like bailing out the lifeboats on a vessel instead of trying to repair her.

What we have then, after all is said and done, is a burning national need that has become a real necessity. We have the means at hand to engineer a solution. Yet the national authority prevents it while blathering on about cosmetic efforts which treat the symptoms while ignoring the disease.

Meanwhile, the highway trust fund remains intact, as our billions in user taxes pour into it to build more roads through viable urban areas. It is city money that is being spent, and the cities slowly decay, and the so-called leaders among us call for action. They are like the people who cut down the last redwood tree, who then mount the stump and make a speech on conservation.

### AN ENERGY INFORMATION ACT NEEDED IN NEW YORK

**HON. JONATHAN B. BINGHAM**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 7, 1974

Mr. BINGHAM. Mr. Speaker, New York State's distinguished Attorney General Louis J. Lefkowitz has found it necessary to file suit against Shell Oil Co. and three of its affiliates for deliberately withholding vitally needed home heating oil from the New York market to force up prices and drive out competition.

It is becoming increasingly clear that without a National Energy Information Act the major oil companies will continue to exploit the energy crisis for their own economic benefit.

I commend the attached article appearing in the February 7 edition of the Washington Post to the reader's attention:

N.Y. CHARGES SHELL, THREE AFFILIATES  
(By Phillip Greer)

New York, February 6.—Shell Oil Co. and three affiliates were charged today with deliberately withholding home heating oil from the New York market to force prices higher and drive out competition.

A civil antitrust suit filed by State Attorney General Louis J. Lefkowitz charged that the four companies diverted nearly 1 million barrels of heating oil—enough to heat 40,000 homes for a year—and held it secretly for several months in anticipation of tight market conditions that would increase prices.

Shell denied the charges "categorically" and said it will "vigorously challenge" the suit.

In addition to Shell, the defendants are Asiatic Petroleum, a bulk distributor that

had not dealt in home heating oil before 1973; Compania Shell De Venezuela, Ltd.; and Shell Curacao, N.V., both South American suppliers. All four companies are members of the Royal Dutch/Shell Group.

The suit, which is scheduled for a hearing on Feb. 13, asks \$50,000 fines against each and an injunction against "charging unconscionable or exorbitant prices."

Lefkowitz said his office has subpoenaed officers and records of 34 oil companies in an investigation that began last month. He added that he is "very, very seriously" considering criminal action in some cases.

According to the suit, "it became apparent" to both Shell and Asiatic in the winter of 1972-73 that increased demand would create a tight market for No. 2 heating oil in the winter of 1973-74. In December, 1972, Shell announced an allocation program for its regular customers.

Last spring, the complaint charges, Shell USA ordered 1 million barrels of heating oil from Shell Venezuela, to be delivered during July, August and September. The request was turned down and, instead, the million barrels was shipped to Asiatics storage facility in Perth Amboy, N.J.

The million barrels was kept under customs bond (technically, it was never imported) and was not reported to either the American Petroleum Institute or to the federal energy office until Jan. 15, 1974, the suit charged.

Lefkowitz charged that, although Shell customers could not receive their full oil needs, Asiatic held its supply until November, when it was officially imported and removed from the bond. Papers included in the suit contend that Asiatic then sold 215,000 barrels of oil to nine different customers at 47.5 and 49.5 cents per gallon. One distributor, the suit contends, paid 47.5 cents a gallon to Asiatic at the same time Asiatic was buying oil from Shell USA at 14.15 cents a gallon. The price to homeowners was increased about 11 cents a gallon, Lefkowitz said.

**SOVIET UNION, STATE DEPARTMENT, AND OIL COMPANIES SEEN BEHIND OIL CRISIS PREDICTED IN 1965 BY ED HUNTER**

**HON. GENE SNYDER**

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 7, 1974

Mr. SNYDER. Mr. Speaker, there has been much ado over who is at fault for the energy crisis, much criticism about measures taken to meet it, and much debate over what should be done about the situation.

What clearly comes through it all, however, is that very few of us in the Congress, very few in the executive branch, and very few in the oil industry foresaw the likelihood of the crisis we now find ourselves in. Those few who did realize the possibility that now is reality, were unable to make their warnings heard and heeded by any segment of the American people.

It is time for cool heads to pay attention to perceptive analyses of the total problem. Only when this problem is fully and accurately understood will intelligent answers be forthcoming. This is especially incumbent upon the Congress which may have to legislate some portion of the remedies by initiating or forwarding corrective action.

I doubt if there are any analyses of the total problem centering on oil in the 20th century world of conflict between freedom and the world Communist movement more enlightening than that of Edward Hunter written 8 years before the Arab embargo.

Newsman-author-editor Hunter wrote his perceptive article in his publication, *Tactics*, back on November 20, 1965. He summed up his keen observations under the title, "Squeeze Play Against Ourselves—Moscow's Oil Gambit."

Hunter warned:

In sum, our oil situation provides the Soviet Union with a ready-made means for our paralysis and conquest. Moscow knows this well. Indeed, it is the cornerstone of its political-economic war against us.

Red strategy is directed toward building a solid base of oil production inside Soviet borders . . . we are proportionately becoming increasingly dependent on often tenuous foreign oil resources . . . Government estimates set 16.6 percent as the maximum figure for excess of oil imports over domestic production, consistent with our national security. But imports of oil quietly have been allowed to far exceed this danger point. Twenty-nine percent, or nearly one third, of the oil used in the United States now has to come from abroad. . . . The American overseas oil-producing areas are exceedingly vulnerable to communist subversion and red "national liberation movements."

Mr. Speaker, I find one of Ed Hunter's most illuminating comments to be this:

The increasing menace of the Soviet oil production and the consequences of the American policy of increasing trade with the communists have never been surveyed from the standpoint of oil production and oil consumption. The facts about this, in effect, have been concealed from the American people and Congress for political and economic reasons by the Department of State and the big oil companies.

Mr. Speaker, in my estimation, no Member of Congress can afford not to read carefully Ed Hunter's very important article, over 8 years old now, if he or she truly wants to understand the key interlocking factors of economics and national security which underlie the most dangerous energy situation we have allowed ourselves to drift into.

Hunter, now 72 years young, served as a foreign correspondent, and then with our intelligence services. He covered the Japanese conquest of Manchuria, the Spanish Civil War, and Italy's seizure of Ethiopia. He joined the Office of Strategic Services in World War II, and then went with the CIA in the Far East. Author of a number of books, he has given extensive testimony before House and Senate committees.

Ed Hunter is the man who introduced the term "brainwashing" into our language. Our honored former colleague, Dr. Walter H. Judd, said in 1959:

Edward Hunter first analyzed for the world in his classic book, "Brain-Washing in Red China," the diabolical use of psychiatry, not to heal mental illness, but to produce it.

Mr. Speaker, if we have ignored the warnings of people like Ed Hunter in the past, let us not ignore them now. Mr. Hunter's article follows:

**MOSCOW'S OIL GAMBIT**

If the Russians used flourishing figures of speech the way the Chinese do, the Kremlin would be using a colorful metaphor to refer

to the American oil situation. The inference in it would be that oil is the American Achilles heel. Mao Tse-tung in much the same way termed the atomic bomb a paper tiger when the United States alone possessed it. He did not mean to deny the potential power of the A-bomb. He merely was pointing out that we had backed ourselves into a corner where we would be unable to make use of the bomb. This is exactly what happened in the Korean War.

The United States possesses ample oil to operate all the conceivable oil-consuming instruments of war and vehicles as well as our economy under any contingency for as long as needed. The only catch in this is that all this oil is underground, much of it yet to be located, or diffused in rock formations known as shale, awaiting exploitation. A modern war would be over long before we could find the oil, get to it, and bring it to the surface for processing. The development of plants to squeeze the oil out of shale would be even more complicated and time-wasting, and certainly less productive. Leonid Ilyich Brezhnev appropriately might apply the term, paper tiger, to our awesome oil reserves.

In other words, we are kidding ourselves about the power that oil gives us, just as we fooled ourselves concerning the A-bomb. Dialectical materialism, the red bible, is very practical. It teaches that the importance of anything can be gauged only in accordance with the opportunity to use it when the necessity arises.

**SIDE EFFECTS CAN BE DISASTROUS**

One need walk only to the nearest street corner of any city to see how fundamental oil is to our way of life. Oil does all our transporting and runs almost all our machinery. We are utterly dependent upon electricity in every phase of our society, and indirectly most of this, too, is the product of oil. It provides power to operate the dynamos. The ramifications of oil in American life are truly staggering. The old maxim was that what you don't know can't hurt you. In modern times, what we don't know can destroy us. Here are some of the main points concerning our concealed oil plight:

1. Oil constitutes the biggest drain on our gold resources.
2. Oil adds greatly to our national debt.
3. The oil situation, unless remedied, could paralyze our war machine.
4. In an emergency, we would lack critical shipping.

In sum, our oil situation provides the Soviet Union with a ready-made means for our paralysis and conquest. Moscow knows this well. Indeed, it is the cornerstone of its political-economic war against us.

Barely a generation ago, our growing concern was that our vastly increasing use of oil was fast depleting our oil fields, and that we were in danger of becoming a have-not nation in this life-or-death resource. The oil industry was urged to obtain all the oil it could abroad, and to ration domestic production, so as to preserve as much as we could of what nature had bestowed upon us. The oil companies argued that our fears were unjustified, and that anyway, the costs of going abroad for oil would be prohibitive.

**EXPLORATION FOR U.S. OIL DROPS DRASTICALLY**

As time went on, the major oil companies began to extend their interests abroad, and as they did so, they discovered that instead of losing money by it, they were making much more than ever dreamed. The importation of oil was not only patriotic, but became a tremendous money-maker.

In 1954, the United States produced 60 per cent of the world's oil. Today we produce only 34 per cent. By 1967, our production is expected to drop to 25 per cent.

As the American oil firms began increasing their imports, they reduced their exploration for oil in the United States. They stopped drilling for new wells. At the time, this

seemed the natural way to conserve our oil resources. The situation today would be different if this exploration had continued, and when new wells were found, they were made ready for pouring, but the faucets kept closed. But we did not do this.

The American focus has been entirely economic. But the Soviet Russian motive always is expansionist, in the psychological warfare, modern military manner. While we were reducing our internal exploration for oil, the Communist Russians increased theirs inside Soviet borders. This dovetailing of American and Soviet procedures and policies on strategic matters, to the advantage of the reds, is perhaps the most extraordinary phenomenon of the last few decades. Much can be attributed, of course, to astute Soviet military planning, much to the failure of Americans to include patriotism as a consideration in business and the professions, and some of it to cruder motives.

Moscow amazed the world in 1956 when it announced that it was undertaking very extensive exploitation of its domestic oil and petroleum industry. Since then, with undeviating consistency, its production has forged steadily forward.

Today, the U.S.S.R. is producing 5,000,000 barrels of crude oil a day. Obviously, its prospecting and output have expanded at a much greater rate than our own. Production in the Volga region, west of the Urals and west of the Caspian Sea, has increased to 3,500,000 barrels daily. The region east of the Urals and additional exploration east of the Caspian Sea are producing oil at the rate of 1,000,000 barrels daily. This is expected to triple to 3,000,000 barrels by 1970. Discoveries in Western European Russia show prospects of adding 1,000,000 barrels a day. By 1970, U.S.S.R. production easily will exceed our own, which is 7,900,000 barrels daily.

#### TREMENDOUS PIPELINES FILL WAR NEEDS

Soviet oil production today far exceeds U.S.S.R. and satellite needs. Private oil consumption is a very insignificant factor in overall Soviet planning. Soviet oil policy has remained consistent, and is aimed mainly at Western European markets. Red strategy is directed toward building a solid base of oil production inside Soviet borders, while making Western European markets dependent upon red oil. The communist planners are achieving this merely by selling below the world market price.

For example, the Kremlin in 1960 agreed to furnish Italy with oil at \$1.25 a barrel, which is 75 cents below the world price. This agreement still is in effect.

The U.S.S.R. is developing its oil resources with full understanding of the role oil occupies in modern economics. It is focussing the investment of funds and resources on prospecting and drilling for oil at home. Pipeline construction is on a vast scale, and immediately is extended into new oil fields that are distant from populated areas.

The material for these pipelines is bought mainly from the Free World, especially Britain and Japan. The pipes are extraordinarily wide, from 39 to 42 inches in diameter, dwarfing our own. Three lines extend through the European satellites to the borders of Western Europe. These are used not only for economic warfare, but in time of war, can supply the red armies in Eastern and Western Europe. Communist planning is always all-embracing, unlike our own. They look far ahead, as in chess, not just to the next move, as in poker.

#### REDS AVOIDING KOREAN WAR HANDICAP

Another pipeline extends across Siberia to Khabarovsk, at the eastern end of Manchuria, and is being extended alongside Manchuria far southward to Vladivostok. Oil piped all the way to this great port can be a decisive element in military operations in the Far East.

During the Korean War, the provision of oil for military needs became a critical problem to the reds. It had to be sent in tankers all the way from the Caspian Sea to the Soviet Maritime Province, a distance of 10,000 miles. The pipelines obviate this need for tanker or rail transport of Soviet oil for military requirements of the reds in the Far East.

The American oil industry also has been developing, but along diametrically different lines. As our domestic production declines, we are proportionately becoming increasingly dependent on often tenuous foreign oil resources. Our domestic needs are approaching somewhat more than 10,000,000 barrels a day, or more than 2,100,000 barrels over our daily production. In order to make up the difference, we are importing 1,500,000 barrels of crude oil and 700,000 barrels of residual fuel oil each day.

Government estimates set 16.6 per cent as the maximum figure for excess of oil imports over domestic production, consistent with our national security. But total imports of oil quietly have been allowed to far exceed this danger point. Twenty-nine per cent, or nearly one third, of the oil used in the United States now has to come from abroad.

As of Dec. 31, 1964, Libya, Kuwait, Saudi Arabia, Iraq and Venezuela were producing altogether 12,545,000 barrels a day. One-fourth of this is used by the United States on our mainland, and abroad to fill military needs.

Exploration and drilling can cost up to \$500,000 for one well in the United States, and even so, there always is the risk of striking a dry hole. On the other hand, in Kuwait, almost any hole that is drilled will spout oil at 10 cents a barrel. By the time royalties and shipping costs are paid, the price to the consumer is \$1.90 to \$2 a barrel.

The big oil-producing companies able to operate abroad enjoy even more benefits over the independent producer in the United States. Indeed, these advantages have become so top-heavy as to squeeze the independents out of the modern market. These benefits to the big firms include:

1. A 27½ per cent depreciation allowance is granted at the well in the United States. The same allowance is deducted by American firms also on their foreign production.

2. Taxes paid by the American oil firms to foreign governments are deductible from gross earnings for tax purposes in the United States.

3. American producers abroad use foreign tankers which are only half the operating cost of American-registered tankers. Domestic oil shipped by water must go in American bottoms. The Texas independent who ships to New England must use American tankers at double the operating cost of the big American oil companies shipping from Venezuela to the same port in New England.

#### OIL COMES IN BUT OUR GOLD GOES OUT

We have been focussing much attention upon the drain in our gold by a myriad of channels extending from the American tourist to the foreign aid program. But no attention is paid to the biggest such channel. The biggest pipeline abroad for gold from the United States is that operated by the oil industry. A phenomenal total of \$1,500,000,000 a year is added to our balance of payments deficit by oil. This is fully one-half of our total balance of payments deficit.

This cannot be attributed wholly to the oil companies. A massive contributor to this balance of payments deficit is the Department of Defense as operated by Robert Strange McNamara. Domestic needs of the Defense Department are 210,000 barrels a day, of which 35,000 come from abroad. Defense Department expenditures for oil and petroleum products are slightly more than \$1,000,000,000 a year. Of this, more than a

third, or \$350,000,000 goes for the purchase of foreign oil that belongs to the American firms.

The purchase money is deposited in New York banks by the Defense Department to the credit of the big U.S. oil firms. One-half of this, or \$175,000,000, is paid by the oil companies as taxes, in one form or another, to the governments of the foreign oil-producing countries. This \$175,000,000, paid to foreign governments, is deducted from the gross amount, leaving only the other half, \$175,000,000, as taxable income in the United States. No American tax is collected on the first half.

#### \$3 BILLION IN REVENUE LOST TO THE UNITED STATES

Obviously, this procedure contributes heavily to our gold outflow, our balance of payments deficit, and the loss of American revenue, augmenting the national debt. The total amount of revenue loss under this procedure amounts to \$3,000,000,000 a year.

The Soviet experts in the Central Committee of the Communist Party of the U.S.S.R. are studying this situation minutely. They realize that the United States and Europe's oil needs will continue to rise. Soviet exports to Western Europe are tied to the domestic oil production of the U.S.S.R. Contrarily, sales by the American oil companies to Western Europe, which have increased considerably during the past 10 years, are tied to their overseas production.

The American overseas oil-producing areas are exceedingly vulnerable to communist subversion and red "national liberation movements." Dress rehearsals of sabotage operations against U.S. oil installations have been conducted in Venezuela and Libya. A dress rehearsal "national liberation movement" was attempted in Kuwait against the combined British Petroleum and Gulf Oil-owned oil installations, and was put down by British force of arms.

The members of the Central Committee of the Communist Party of the U.S.S.R., who have astutely evaluated our economic system, have declared in speeches that the lifeblood of capitalism is oil, as ours is an oil-based economy. They have implied that they will choke this off. Indeed, our economy would be thrown into chaos and our national security be greatly imperilled if these red chieftains were permitted to proceed with this longrange maneuver, without the United States adopting safeguards.

The increasing menace of the Soviet oil production and the consequences of the American policy of increasing trade with the communists have never been surveyed from the standpoint of oil production and oil consumption. The facts about this, in effect, have been concealed from the American people and Congress for political and economic reasons by the Department of State and the big oil companies.

The Department of State does not publicize the Soviet oil threat because then we would be forced to curtail our trade with the communist bloc, instead of encouraging its expansion.

The Soviets have discovered extensive new oil fields, but have been hampered in exploiting them by the lack of modern drilling and production equipment. As of June, 1965 the Department of Commerce, with the State Department's approval, has granted export permits for the shipment of this critical oil production and drilling equipment for the red bloc. Large shipments are being made to Romania, for transshipment to the U.S.S.R. Nobody can be so stupid as to doubt this relaying, or that we are not abetting it in order to circumvent Congress and the will of the American people. Our Administration is collaborating with the Politburo at Moscow in providing the communists with the mechanical facilities they need in order to implement their oil strategy.

SHIPPING SQUEEZE IS A MILITARY PERIL, TOO

The big American oil companies do not publicize this Soviet oil threat, as it would lead to public pressure upon them to engage in costly domestic exploration and the development of new production facilities, and probably even to increase production in the United States, forcing a curtailment of the cheap but highly profitable oil imports. The American oil industry refuses to recognize the fact that the Soviet oil trade is a coordinated instrument of red expansion, and that a diversified, privately-owned foreign trade system cannot compete with a giant, state-owned cartel that operates as a closely knit, political and economic mechanism for purposes of war and conquest.

The Soviet threat, together with the self-interest of the American oil companies and the appeasing attitude of the State Department, have combined to create a situation that threatens our survival as a free nation, and certainly endangers our free enterprise system.

The peril extends to shipping. As of October, 1965 the United States had only one tanker under construction, while the U.S.S.R. was building about 125 tankers at home and abroad. U.S. oil firms are building tankers in foreign shipbuilding yards and registering them under foreign flags. One U.S. oil firm has just completed a 65,000-ton tanker in Italy and has 16 more tankers on order at the same yards. These tankers employ about 1,000 foreign merchant seamen, and are intended to carry oil from the Middle East and North Africa to Western Europe. In case of war, these American-owned ships likely would be of no use to us. The seamen are subject to orders by communist-led, overseas unions.

MOSCOW EXPECTS OIL INDUSTRY TO DESTROY ITSELF

Oil exploration in the United States cannot be quickly begun or accelerated for an emergency. At best, it is a hit or miss operation. Soviet planners are sitting back, content not to upset American foreign oil production at present. Red strategy does not plan large-scale "national liberation movements" against American foreign-oil producing areas just yet. The gold drain and the undermining of the dollar is satisfactory for the present. The communists will clamor for more trade and credits, or any other advantage that will increase our national debt, confident that when our domestic oil production declines sufficiently, while theirs has risen sufficiently, they can move quickly to destroy our overseas production.

The weirdest aspect of this is the way the policies of the Brezhnev and the activities of the McNamara dovetail. A no-win U.S. policy, of course, does not conflict with a Soviet win policy.

We already have had a taste of what it means to have a pinch on oil, even when we were not the butt of an enemy oil strategy. Not all have forgotten, though, the gasoline rationing of World War II, that paralyzed automobiles in their garages. This would be just the beginning of the pressure, once the reds were allowed to put a squeeze on us through psychological warfare assault upon our foreign oil interests.

Only a Congress that has become alert and vigilant, that has freed itself of Administration pressure, can enact the safeguarding legislation that would remedy this situation. The American public could bring this about, through supporting candidates who are capable of understanding such problems, and have the courage and the patriotism to put up the fight required. The people are sovereign, and they must remind their Congressmen and Senators that they are elected by and must obey the voting public.

EXTENSIONS OF REMARKS

THE HIGH COST OF PROPANE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 7, 1974

Mr. ASHBROOK. Mr. Speaker, many of my constituents in the 17th District of Ohio depend on propane gas to meet their everyday needs. In homes, propane is used for cooking, heating, air-conditioning, and clothes drying. On the farm, this gas fuels tractors, dries crops, and runs irrigation pumps.

Today, however, Ohio propane consumers are deeply troubled by the staggering increase in the price of propane. On January 15, 1973, the dealer cost ranged between 8 and 10 cents per gallon and the consumer price between 17 and 19 cents per gallon. By January 15, 1974, however, dealer cost ranged between 21 and 28 cents per gallon and the consumer price between 30 and 37 cents per gallon. This amounts to approximately a 250-percent increase in dealer cost and a 100-percent increase in consumer price in only 1 year.

A large part of the increase is attributable to inequitable pricing regulations issued by the Federal Energy Office. These regulations have allowed oil refiners to load onto the price of propane the increased production costs of other crude oil products. The loading of extra costs has placed an unfair burden on the propane consumer.

The propane dealer is as much a victim as the propane user. He can do nothing but pass the price increase along, bear the wrath of his customers, and watch as they switch to other heating, lost as customers not for a week or a month, but forever.

Therefore, I joined with a number of my colleagues in fighting against the discriminatory regulations. This fight has resulted in some success. On February 1, the Federal Energy Office reversed its position and issued new propane pricing regulations. After January 31, 1974, refiners must limit cost increases to the percentage of propane sales volume to total product sales volume.

Although the new rules are an improvement over the past situation, they are still an inadequate response to the problem. These regulations will hold down future price rises in propane, but they do nothing to rectify the previous pricing inequities which have already resulted in a twofold increase in consumer price. Many people simply cannot afford to continue to pay these excessive costs.

Consequently I have sent a letter to William Simon, Administrator for the Federal Energy Office, requesting that the FEO take steps to reduce present propane prices. A fair solution would seem to be to establish a base period price—such as between December 1, 1972, and January 31, 1973—and from that point forward allow a dollar-for-dollar passthrough of actual costs as they proportionately relate to propane. This would reduce the artificially inflated

February 7, 1974

price of propane to a level within reach of present consumers.

My letter to Mr. Simon is as follows:

FEBRUARY 7, 1974.

Mr. WILLIAM SIMON,  
Administrator, Federal Energy Office,  
Washington, D.C.

DEAR MR. SIMON: A large number of my constituents in the 17th District of Ohio depend on propane gas to meet their everyday needs. The staggering increase in the price of propane over the past year has inflicted a great hardship on many of these people.

Although the regulations issued February 1st by the Federal Energy Office are welcomed, they are still an inadequate response to the problem. These regulations will hold down future price rises in propane but they do nothing to rectify the previous pricing inequities which have already resulted in a two-fold increase in consumer price.

I urge you to act immediately to reduce present propane prices. A fair solution would seem to be to establish a base period price, such as between December 1, 1972 and January 31, 1973. From that point forward, allow a dollar for dollar pass-through of costs as they proportionately relate to propane. This would reduce the artificially inflated price of propane to a level within reach of present consumers.

Sincerely,

JOHN M. ASHBROOK.

SATELLITE OVER AMERICA

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 7, 1974

Mr. YOUNG of Alaska. Mr. Speaker, a few days ago our distinguished colleague from Kentucky, Mr. CARTER, addressed the body concerning plans to orbit a communications satellite over Appalachia. Alluding to the fine communications system already existing in Kentucky, Mr. CARTER suggested that the funds for this project might be better spent in other areas.

While I have a high regard for my colleague's opinions, I must differ with him and point out what I believe are some mistaken impressions he has about the Applications Technology Satellite program.

First and foremost, the satellite which will be launched in April will not "hover over Appalachia" as Mr. CARTER claimed. Circling the Earth more than 22,000 miles out in space, the ATS-F satellite will be positioned over the Galapagos Islands in the Pacific Ocean. The synchronous timing of the satellite's own orbital period with the Earth's own speed of rotation will make it appear to remain stationary. In fact, it will be revolving about the Earth just as fast as the Earth itself turns.

And, contrary to Mr. CARTER's suggestion that the satellite, the sixth in a series of National Aeronautics and Space Administration experimental devices, will be used for rather limited purposes of education and health in Kentucky, the communications satellite will be used for a broad variety of programs in States

as far apart and diverse in their special needs as Alaska and Alabama.

The teacher education programs are not new; this new satellite will provide a more efficient way of distributing educational materials and programs to teachers than the present methods which employ cable television and video tape.

Other users of the system will include the Veterans' Administration, the Federation of Rocky Mountain States, the State of Alaska, and the State of Washington.

While Mr. CARTER may take good communications for granted, the people of rural Alaska do not. Experimental satellite programs such as this have given many remote Alaskan villages their first dependable links with the outside world. And if you consider that you are using a satellite that outside world can mean Anchorage—Alaska's largest city—or New York as easy as not.

Only a few months ago I had the pleasure and opportunity to talk with village schoolteachers in half a dozen Alaskan villages using a presently orbiting satellite, the ATS-1, and transmission facilities at the nearby National Institutes of Health. Representatives from the United Nations and the National Education Association who went to Alaska to investigate the potential for satellite uses in the biggest of the 50 States concluded that:

Satellite communications for Alaska, as part of an overall long-range educational communications system, are not only feasible but necessary for improved communications in the State. In many respects the satellite was "invented" for Alaska.

Experiments conducted so far in Alaska have explored educational, medical, and cultural areas. From one-room schools in isolated villages, the kind Kentucky had a century ago, Alaskan youngsters have been able to talk directly with students in California, Hawaii, and New Zealand.

Few of Alaska's remote villages have doctors. Some are only now beginning to get paramedics. Use of satellite communications between villages and medical centers in major cities has saved lives. From March until June in 1972 alone, more than 700 villagers received treatment in villages under the direction of doctors and other specialists located hundreds if not thousands of miles away.

While I do not presume to speak for other Members, I can, as Alaska's only Representative in the Congress, say that the development of reliable satellite communications systems for Alaska will play a vital role in developing the human resources of my State.

#### SKYLAB

### HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 7, 1974

Mr. TEAGUE. Mr. Speaker, tomorrow, we anticipate the return of three outstanding astronauts—William R. Pogue,

Edward G. Gibson, and Gerald P. Carr—who after 85 days in space will have completed one of our most productive ventures into space, preceded by Skylab 1 Astronauts Conrad, Kerwin, and Weiss, and Skylab 2 Astronauts Bean, Garriott, and Lousma.

This record of achievement is unprecedented. Skylab 1, because of damage to the workshop, had to make substantial repairs in order for the system to be workable. Skylab 2 continued to refine those repairs and to alter the system so that maximum gain could be obtained from the missions. In doing this, Skylab 1 and 2 not only met but exceeded their expected workload in areas which included earth resources studies, solar observation, physical science, and life science and technology experiments. Vast amounts of new data were generated that will provide practical and useful knowledge and techniques to this Nation for many years to come.

It is interesting to note that the astronauts will have spent a total of 41 hours in extravehicular activity, outside the workshop and in space itself. This demonstrates that man can work effectively in repair and maintenance and in the conduct of experimentation without being confined within a spacecraft. Over 182,000 frames of special films have been brought back from Skylab or will be brought back at the completion of the current Skylab 3 mission, providing not only new information about the Sun, but also what is estimated to be more knowledge of certain processes in the Sun than has ever been gathered heretofore. Throughout the three manned flights of Skylab over 45,000 frames of Earth resources data have been analyzed and are under review, supplemented by magnetic tape data directly applicable to geographic, demographic, and agricultural survey applications. When the Skylab 3 crew returns tomorrow, the three flights will have amassed approximately 171½ days in Earth orbit; the longest duration mission, which was the last, exceeded 84 days.

The medical experiments being conducted onboard Skylab have indicated that there is probably no limit to man's ability to survive, work productively, and live in space so long as an adequate environment is provided. In traveling almost 70 million miles these three crews have demonstrated that healthy, well-trained men can take giant strides in providing new and useful, practical information for the benefit of this Nation and all mankind.

The U.S. manned space flight program has now amassed 30 flights, representing over 21,851 hours of active operation in space. These programs—Mercury, Gemini, Apollo, and Skylab—have made direct contributions to our daily lives as well as new scientific knowledge. The technology derived from these efforts is part of the everyday life of Americans today. Skylab has amply demonstrated that space can be used for practical purposes.

The Space Shuttle, which will follow at the end of this decade, will make space transportation available on a low-cost

basis. Thus the techniques derived from Skylab, Apollo, Gemini, and Mercury will make space a place of commerce for this Nation.

#### FEO PETITIONED TO IMPLEMENT REGIONAL VARIANCES IN ALLOCATING GASOLINE

### HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 7, 1974

Mr. GILMAN. Mr. Speaker, today 32 of my colleagues joined me in sending the following letter to the Administrator of the Federal Energy Office, William Simon, urging the implementation of the Federal Energy Office regulations providing for regional variances in allocating gasoline.

I request that the full text of our letter be set forth in this portion of the RECORD:

FEBRUARY 7, 1974.

HON. WILLIAM SIMONS,  
Administrator, Federal Energy Office, Washington, D.C.

DEAR MR. SIMON: The undersigned Members of Congress request immediate implementation of Section 211.14 of the Federal Energy Office regulations providing for the consideration of regional variables in allocating gasoline:

Section 211.14: "(a) To meet imbalances that may occur in the supplies of any product subject to this part, the Federal Energy Office may order the transfer of specified amounts of any such product from one region or area to another. Further, the FEO may allocate any such supplies of such products among suppliers in order to remedy supply imbalances."

With our regions suffering acute shortages of gasoline, we request your immediate review and consideration of the following criteria in allocating gasoline supplies:

Density of population;  
Population growth over past few years;  
Numbers of commuters;  
Distances traveled by commuters; and  
Adequacy of mass transportation facilities.

Since it is evident that some areas of our nation have sufficient supplies of gasoline and are not suffering the extreme hardship experienced in the more densely populated regions, we request your review of the available data relating to the above mentioned criteria and the prompt implementation of Section 211.14 to allow a more equitable allocation and distribution of gasoline for our regions.

We urge your prompt attention to this critical matter.

I cannot emphasize enough the urgency with which we address our plea to Administrator Simon. Inequities in the allocation of gasoline are creating havoc in some sections of our Nation.

In my own region of southeastern New York, the inavailability of gasoline is creating health and safety hazards. Employees of our critical public service facilities are unable to purchase enough gasoline to transport themselves to their jobs—hospitals, schools, and major industries are being affected.

Additionally, the long lines at those few gas stations remaining open are causing serious highway safety problems.

Tempers are flaring and violence has broken out on several occasions.

I fully recognize that all of us will have to suffer somewhat because of our energy shortages. And I am also aware that most of my constituents have curtailed all but essential driving. However, the recent rapid growth experienced in my district and the lack of adequate mass transportation facilities in our region in addition to the long distances my constituents travel to their jobs each day all aggravate the lack of adequate gasoline supplies in my own region.

I know that this is also the case of the Members who joined me in petitioning Administrator Simon. The New York City region and the surrounding areas in Connecticut and New Jersey are critical as well as some sections of upstate New York, Massachusetts, Pennsylvania, and Ohio.

With the problems of our gas shortages growing daily, there is a critical need for immediate relief for those areas which are suffering the hardest from our shortages.

The following Members have joined with me in this effort: HON. DONALD MITCHELL of New York, HON. WILLIAM WALSH of New York, HON. TENNYSON GUYER of Ohio, HON. JACK KEMP of New York, HON. JOHN WYDLER of New York, HON. HENRY SMITH of New York, HON. SHIRLEY CHISHOLM of New York, HON. HERMAN BADILLO of New York, HON. CHARLES RANGEL of New York, HON. JAMES DELANEY of New York, HON. BARBER CONABLE of New York, HON. JOSEPH ADDABBO of New York, HON. JAMES GROVER of New York, HON. CARLTON KING of New York, HON. MARGARET HECKLER of Massachusetts, HON. HOWARD ROBISON of New York, HON. NORMAN LENT of New York, HON. SAMUEL STRATTON of New York, HON. ROBERT MCEWEN of New York, HON. JOSEPH MARAZITI of New Jersey, HON. JOSEPH MINISH of New Jersey, HON. FRANK BRASCO of New York, HON. MATTHEW RINALDO of New Jersey, HON. PETER PEYSER of New York, HON. ANGELO RONCALLO of New York, HON. MARIO BIAGGI of New York, HON. BERTRAM PODELL of New York, HON. EDWARD KOCH of New York, HON. LESTER WOLFF of New York, HON. BELLA ABZUG of New York, HON. RONALD SARASIN of Connecticut, and HON. JOSEPH McDADE of Pennsylvania.

SPEECH OF FREDERICK G. JAICKS,  
CHAIRMAN OF THE INLAND STEEL  
CO.

### HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 7, 1974

Mr. MADDEN. Mr. Speaker, yesterday, February 6, I attended the congressional luncheon by the American Iron and Steel Institute. Fred Jalcks, former resident of my congressional district and general manager of the United States Steel plant in Gary, Ind., now chairman of the board of the Inland Steel Co., addressed the gathering on some of the managerial, industrial, and tax problems

of the United States Steel Corp. His remarks were highly informative and gave the listeners an insight to some of the problems of the largest steel-producing company in the Nation.

Under unanimous consent, I insert Mr. Jaicks' remarks at this point in the RECORD:

STEEL INDUSTRY ECONOMICS AND FEDERAL INCOME TAX POLICY

(Remarks by Frederick G. Jaicks)

Eight years ago, the American Iron and Steel Institute collaborated with Walt Disney in producing "Steel and America." That excellent motion picture has been viewed by more than 100 million people. I'm reminded of a line in the opening segment which states quite simply and so well what this business is all about. It goes this way: "Over the vast expanse of America men have dreamed and built prodigiously. But to give substance to the dreams there had to be a material equal to the task. This material was and is steel."

Versatile and inexpensive . . . that's steel. My colleague Ed Speer of U.S. Steel recently observed that an average pound of steel costs a dime, and, as Ed added: that "makes it even less expensive than the proverbial peanuts."

We believe the product is still the best bargain around. But the resources required to produce it are extremely costly, and the size and scale of facilities involved dwarf the imagination. The total investment is huge, our net fixed assets exceed 15 billion dollars. The steel companies currently employ over 650 thousand people, and their total employment costs in 1973 will approximate 10 billion dollars. Steel products serve every sector of construction and durable goods manufacturing; in fact, ferrous metals—mostly steel—account for roughly 95 percent of all metals used in our economy. Millions of additional jobs depend upon our products. Steel, in fact, is important to every facet of our nation's economic growth.

Currently, we are witnessing a strong world-wide demand for steel, and an unprecedented demand here at home. It's not surprising that shortages have cropped up in our economy; critical shortages for items such as roof bolts used in coal mines, concrete reinforcing bars for construction, pipe-drilling platforms and other goods for the petroleum industry, and many others. The demand abroad has prompted foreign producers, who not too long ago unloaded steel products in our markets at distress prices, in many instances to double the price of goods they now offer for export to the United States. What's more, they have withdrawn some of their products from our markets, since they can do much better at home, or in other markets.

Our nation should not rely on foreign producers to supply a significant portion of the long-term demand for domestic requirements which can be shut off when other nations decide to do so. Our industry has every intention to fulfill the needs of the domestic market, if it can find the means to invest profitably in new capacity.

To achieve this, we believe a number of actions are required. We've addressed ourselves to these publicly in recent months. I'll refer only in passing to the overriding necessity for the decontrol of steel prices; and I would include the corresponding need for strong trade legislation designed to shield American industry from unfair foreign trade practices. A third critical issue focuses on adequate energy supplies. I'm certain you realize that our product is fundamental to the solution of the energy shortage. But on this occasion, let me undertake to state the "case" for a more constructive national tax policy.

Our need for tax assistance—and it's a real

one—can be stated simply and directly. We foresee, as do other qualified observers, a sizeable increase in steel product demand up ahead. We do not have adequate manufacturing capacity to provide the additional tonnage. And our level of profitability—lowest among all manufacturing groups—does not give us access to the capital required to add new capacity. That has changed markedly from the situation some years ago.

Immediately after World War II, when the industry's enormous productive capabilities were directed at satisfying pent-up demand, our returns on revenue and equity were considerably higher than they have been over the past decade. For example, in the period 1947 to 57 inclusive, the steel industry averaged 11.4 percent return on equity and 6.6 percent on sales, and was clearly in the middle of the pack for all manufacturing. It was a period in which our industry's earnings base was sufficient to attract investment capital.

Such has not been the case in recent years. Since 1966, the industry has averaged only 5.9 percent on equity and 4.0 percent on sales—(actually considerably lower for the years 1970-71 and 72)—and as indicated earlier, we have been last in a field of 40 manufacturing industries, insofar as rates of profitability on equity are concerned. This is not to suggest that the inadequacy in profitability had diminished our industry's capability for production. In 1973, the American steel industry outproduced all other steel-making nations.

Today the American steel industry is equipped with modern mills and is unsurpassed in its ability to ship the highest quality steel products made anywhere. That fact was underscored by the impressive performance of 1973. Given the strong world demand I referred to earlier, the domestic industry poured an almost unbelievable 150 million tons of steel last year—some 9 million tons more than in 1969, the previous high. Most of the year, our industry operated at capacity levels. Demand was so persistent we could have shipped much more tonnage if the capacity had been available.

Unfortunately, "bottom-line" results in 1973 were constrained by rapidly escalating costs and inadequate price levels—the latter attributable principally to government controls. "Informal" price controls and the impact of imports have restricted steel's profitability since the early sixties. And now with formal controls, the limited price increases granted and delays arbitrarily imposed by the Cost of Living Council have restricted the industry's efforts to achieve needed profitability.

The consensus among qualified financial and economic observers, both in and out of the industry, is that steady growth in world and domestic steel demand will prevail through 1980—about 2½ percent annually at home, and something over 4 percent abroad. World raw steel production approximated 765 million net tons in 1973 and could reach or exceed one billion tons by 1980, to meet the projected demand.

Translated into domestic requirements, this means some 25 million net tons of additional raw steel capacity must be built in the United States by 1980. This presumes no major shift in the current pattern of steel imports and exports.

In the interest of conserving time, I will not burden you with statistics. The Institute's painstaking and detailed formal study, which is available for your examination, includes a full breakdown and summary of the estimated costs associated with the projected 25 million ton expansion. For purposes of this discussion, I've added up the cost of projected new facilities, of maintaining and renewing our existing capacity, of meeting the growing expenditures for pollution abatement equipment and programs, and other in-

cidental items. Employing conservative costing estimates, I can tell you we must spend at least 3.5 billion dollars each year over the next seven years. That's twice the annual amount we were able to invest during the previous decade. And that's unattainable under present conditions.

While it's true we took an important first step on the road to improved profitability during 1973, cash flow still is far from adequate to the task at hand. It's estimated that we fell at least 1.2 billion dollars short of the projected 3.5 billion dollar requirement last year, our best year ever. And it is unrealistic to expect that the 1973 results can be exceeded under present price constraints.

We have some knowledgeable allies who share our concern about our inability to expand. During his recent testimony to the Joint Economic Committee, Federal Reserve Chairman Arthur Burns noted that investment by steel and other industries was "discouraged by relatively low profits" between 1966 and 71.

And Chairman Wilbur Mills of the House Ways and Means Committee recently stated that certain industries operating at capacity—steel included—should be considered for special tax incentives to make expansion possible.

I know I speak for every steel company chief executive present: we cannot make it under the current rules of the game. Ours is among the most capital intensive industries in the world. As I indicated a moment ago, the necessary investment is twice what we were able to invest on average over the past decade. On one hand, we are restrained from getting a fair price in a free market place for our products. On the other, we are beset with sharply rising costs.

Gentlemen, increased profit margins offer the only avenue to economic salvation. And the fact is we are "money poor" and are likely to be for a long time unless we can generate cash flow and establish an earnings base that once again will give us the required access to capital markets—something we presently do not have. Coincidentally, we must be assured that our markets are not inundated with foreign steel. We believe strong foreign markets should help to curb imports. Nevertheless, we must not permit foreign producers to use our markets as a dumping ground for their steel products, either in the pursuance of the policies of their home governments or as a consequence of temporary dislocations in their local markets.

What we need, most urgently, are federal tax laws which put domestic steel producers on competitive footing with foreign producers, whether government supported or not.

Recognized leaders have expressed their support publicly in behalf of such a policy. Treasury Secretary George Shultz has said, "The tax system must be conducive to the stable growth of our domestic economy and the long-range improvement of our position in world markets." And the highly respected economist, Dr. Norman Ture, declares tersely: "Tax policy should give top priority to reducing the existing bias against private saving and capital formation."

If the steel industry is to contribute to that "stable growth" of which Secretary Shultz speaks, we cannot overstate the urgency for a tax policy which recognizes the need for adequate capital recovery allowances. We believe present capital recovery allowances understate replacement costs and overstate profits.

What is it, after all, we seek?

At the very least, we need assurance that the present 7 percent investment credit will be permanent. This is crucial in the normal five-year planning and construction cycle for major steel facilities. We cannot make commitments of the magnitude that are common

in our industry without the assurance of a permanent investment credit.

We believe the Congress should extend the more realistic depreciation begun under the Class Life System to a true capital recovery system. We need a stable and reliable long-term policy of capital recovery. In the other principal free world industrialized nations, this is common practice. The period of capital recovery is only one year in the United Kingdom, two years in Canada, five years in Sweden and the Netherlands. We propose that a competitive system be enacted here at home permitting the full investment recovery in machinery, equipment and industrial buildings at a rate of at least 20 percent each year.

We critically need full-cost write-off for pollution control expenditures on new and old production facilities alike, in the year expenditures are made. These are not capital expenditures in the normal sense since they do not add to productive capacity or prolong the life of an asset. Expenditures for existing pollution control facilities and for their operation have exceeded by far our expectations. They have been a damper on earnings; and our experience indicates present cost estimates of future requirements are low.

We need continued tax assistance in the discovery and production of raw materials—particularly iron ore and coal—so vital to steelmaking. As you probably know, the diminished quality of remaining domestic iron ores has led to an increasing use of low-grade taconite ore, processed into pellets. This technology is very costly. Consequently our industry has stepped up its development and use of foreign ores. In the projected expansion of steelmaking capacity by 25 million tons, there is an implicit requirement for an additional 37½ million tons of iron ore each year, at an estimated added capital outlay of 1.1 billion dollars by 1980.

We believe depletion allowances for domestic iron ore and coal should be retained at the pre-1969 levels, and should not be impaired by the minimum tax. Moreover, foreign and domestic exploration costs should be deductible as they are incurred without limitation and without recapture. In the aggregate, these allowances would help to improve the rate of return and improve the opportunities for additional investment.

We further believe no change is warranted in the treatment of foreign tax credits. Capital recovery allowances, investment credit and percentage depletion on overseas investments should not differ from those applied domestically.

We strongly urge repeal of the minimum tax as it applies to corporations. At the least, present inequities should be corrected by providing for a more equitable averaging rule which would include carrybacks as well as carryovers of the tax liability deductions. The minimum tax has had a negative impact on steel and dilutes the effects of accelerated real property depreciation, percentage depletion and the pollution control facility write-off. It is a legislative anomaly, having been devised initially to eliminate individual tax avoidance loopholes. It should not be imposed on corporations as a revenue-replacement surcharge levy. To this end, the full deduction for regular tax liability should be retained. Otherwise, it does not make sense, and it limits the opportunity for investment.

However you slice it, tax policy that encourages investment and growth is a first requirement for long-range steel industry vitality. There are others, and I won't belabor them: control of inflation; reduction in federal spending; getting a fair price for our products—something that eludes us like a will-o'-the-wisp.

There are still some in our society who are captivated by the myth that business does not pay its fair share of taxes, and the sup-

position that profits are too high. If that were the case, we'd be busting our britches to add new steel capacity to meet that big growth demand up ahead. What are the facts? Growth of personal income has exceeded the growth of business profits before taxes by a ratio of nearly 3 to 1 since 1965. And federal taxes have outstripped the growth in industry's profits during the same period. And the question really should be: hasn't industry been paying more than its fair share of taxes?

We believe there should be an alternative to the continuing increases in corporate taxes to permit an increase in profitability, and to make it possible for steel and other industries to invest in modernization and expansion, an action that translates into increased jobs.

We are confident that we have the capabilities to achieve our 1980 targets. But the obstacles are apparent, and the call for their removal must be equally direct.

For years, industrial leaders and other qualified business observers had warned of an impending energy shortage. Nevertheless, it required a crisis to goad us into a posture of national urgency and response. In the past year we have witnessed the first worldwide shortfall in steel production to meet the demand. The "early warning" message is clear.

With inadequate capacity now, and an unfavorable level of profitability serving as a damper on expansion, we are well on the way to a full-fledged steel crisis within the next decade—possibly sooner—unless constructive measures are taken to encourage the investment in new and replacement capacity. And I must remind you, gentlemen, that the steel we will need by 1980 can only be provided if we make the necessary decisions now.

If we can once again regain the initiative for capital formation with the purposeful assistance of progressive and stimulating tax policy, I speak for all here in the conviction that the domestic steel industry will move to add the new steel plant capacity our nation will require in the years ahead.

#### TIME FOR CONGRESS TO GIVE DIRECTION TO NATION'S EDUCATION POLICY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 7, 1974

Mr. KEMP. Mr. Speaker, it was with mixed emotions that I voted to report H.R. 69, elementary and secondary education amendments, to the full House.

Recognizing the importance of this legislation, the House Education and Labor Committee promptly took up the bill when the 93d Congress first convened in January 1973. The bill, which will shape the direction of Federal aid to education for the next several years, recently marked its first anniversary, still in committee, with the educational community still forced to play guessing games as to the level of Federal aid they could anticipate and the form it would take. It is clearly time to bring this legislation to the House floor; to afford all Members of this body the opportunity to express their views on the fashioning of our elementary and secondary education programs; to enact them into law and put them into operation in our schools.

Sidetracked by considerations of which of the myriad allocation formulas would best benefit their particular constituencies, committee members often appeared to lose sight of the overall concept of how best to strengthen our Nation's educational system. As a Representative of one of the Nation's most populous States, I will frankly admit that I am deeply committed to insuring that New York State receive adequate funding. Thus I voted against the title I formula adopted by the committee, not merely because it hurts New York but because it discriminates against all urban areas. I additionally intend to do all I can to revise the formula on the House floor. As it stands now, urban areas which have experienced a growth in the numbers of disadvantaged children, will lose funds while rural areas are protected from loss of funds in spite of the decrease in their disadvantaged student population.

I must also admit to a suspicion, however, that many of the flaws in our educational system today can be attributed to the very fact that too frequently special interests prevail over the best interests of the whole. Combine the frustrating and often fruitless search for consensus among these varied interests with the cumbersome mechanisms of administration and governance, and it is little wonder that the ability to respond to new circumstances and new needs is increasingly diminished.

A major dilemma in educational planning and follow through is the massive and complex network responsible for the governance of education, starting at the Federal level and moving through the States to local school districts and other instrumentalities within them. The committee did make significant progress in reducing the maze of categorical grants which have given rise to well-documented allegations of bureaucratic isolation and waste. The most important feature of the two-part consolidation—library and instructional resources and support services and educational innovation—is the decision to give local districts discretion on how the funds are to be spent. I supported this effort.

My preference is to see an even greater meshing of Federal assistance with State programs, to further maximize the effectiveness of Federal funds. It is important to remember that it is the State that has been the linchpin of American education. While the Federal Government's proposed investment in education-related programs for fiscal year 1975 is \$16 billion, this constitutes only some 8 to 10 percent of the total cost of the Nation's educational bill. Yet, the cumulative effect of Federal aid programs enacted piecemeal over many years has been to distort traditional State-local relationships. Some Federal programs require Federal officials to deal directly and exclusively with State officials or agencies. Some involve direct Federal-local relationships with little or no State involvement. Other Federal funds flow through State agencies to local school districts with varying degrees of State influence or control. And, a few Federal programs of aid to local school districts,

particularly the impacted aid program, even go so far as to disqualify State school finance programs.

Another distortion takes place within education itself. The categorical nature of many Federal programs inevitably has led to the creation of special interest groups within State and local education agencies, each determined to maintain the narrow focus of its speciality while expanding its influence. These groups compete, not only with one another, but with State and local administrators responsible for coordinating all programs for children. Some State and local officials work more closely with Federal officials than with people in their own agencies, often managing Federal funds in isolation from State and local resources available for the same purpose.

The bureaucratic axiom that the longer existing programs remain in force, the more difficult it is to change the shape of the Federal structure to keep pace with the times holds fast in the area of education. Here again, impact aid is a perfect illustration. All of the major reforms of impact aid adopted in subcommittee were eliminated by the full committee. A minor concession was made in accepting an amendment which changed title III, impact aid, from a 5-year extension to a 1-year extension.

Federal programs have additionally tended to be administratively time-consuming and expensive in proportion to the return. The delivery system for the existing maze of programs, involving separate schedules, plans, guidelines, regulations, forms, and evaluations is so complex that State and local education agencies often find it impossible to coordinate and concentrate Federal funds effectively. In fact, most State agencies have been compelled to hire Federal aid experts—specialists in education grantsmanship. A New York State educator quite accurately stated the case as follows:

We certainly don't have the cumbersome forms to file repetitiously for state programs, nor for our own Board of Education. Why must Washington, so far away, demand these annual tributes? Assuredly, if you were in our shoes, you would wonder what an immense pile of paper must be accumulating in our capital.

This inefficiency is financed, of course, by the American taxpayer.

Responding to the educational needs of a highly industrialized nation with a rich cultural history is a monumental task involving difficult decisions on how best to develop the intellect of our youth, transmit our culture and train young minds and hands to perform the work of this society. But, these decisions must be made and not deferred. I welcome the committee's decision with regard to consolidation and am equally disappointed with its decision on a title I formula, on impact aid and its failure to define the proper parameters of our educational goals in order to insure that the sanctity of the home and the privacy of the child is not violated by psychological "behavior management" techniques. However, the highest consideration now is to give these issues the full airing they deserve

in the House Chamber and I am pleased that the bill is moving toward enactment.

#### CONGRESSMAN CLAY ATTACKS DISCRIMINATION IN PUBLIC BROADCASTING

#### HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 7, 1974

Mr. RANGEL. Mr. Speaker, my colleague and brother, Congressman WILLIAM L. CLAY, recently addressed a problem that has deeply concerned him and the other members of the Congressional Black Caucus—the problem of discrimination in the media.

Speaking at the second annual luncheon of the Boston Community Media Council, Inc., Congressman CLAY once again called upon the mass communications media, and the Public Broadcasting Corp. in particular, to open the air waves to minority citizens who are, for all practical purposes, "invisible men" in the national media. BILL CLAY points to the hypocrisy and tokenism that permits the occasional black face in a commercial and the one black hit show, but bars blacks from decisionmaking positions in the industry and refuses to allow blacks to truly depict the reality of black existence on the screen. As always, BILL CLAY tells it like it is, and I place a report of his speech which appeared in the January 31, 1974, edition of the Boston Globe in the CONGRESSIONAL RECORD for the information and enlightenment of my colleagues:

#### CITES PUBLIC BROADCASTING—BLACK CAUCUS HITS MEDIA AS UNFAIR (By Stephen Wermiel)

A member of the Congressional Black Caucus charged in Boston yesterday that the communications media in general and public broadcasting in particular have systematically distorted news of black communities and excluded minorities from employment.

Rep. William L. Clay (D-Mo.), chairman of the caucus's committee on communications, said: "In effect, a clear pattern has developed of systematic exclusion, distortion and deliberate mishandling of news reflecting black people, our communities and our culture."

Clay spoke at the second annual luncheon of the Boston Community Media Council, Inc., a non-profit organization formed to provide dialogue between minority communities and the news media, to increase minority access to the news media and to foster employment and training for minority persons.

"Even the most casual observer cannot help but note," he said, "the almost total absence of meaningful black involvement in American mass media..."

"Widespread, long-standing and deeply entrenched racism within the mass media are undeniably a fact of life."

He said the purpose of mass communications has been "the entertaining of whites," and "access to ownership and employment in the electronics field of communications has almost been totally denied to non-whites."

Clay criticized the Public Broadcasting Corp. for "the limitation placed on programming to, for and about minority communi-

ties, in general, and the black community in particular.

"... Minority broadcasting is regarded by the corporation as more of a concession than a right, more a nuisance than a need."

He said early 1973 employment figures revealed that little more than 10 percent of public broadcasting personnel were members of minority groups and few of those were in managerial positions.

He suggested that limited access to the media for blacks may be a denial of free speech rights.

"Blacks are still too often treated by media as curiosities or exotic wonders, with more attention and emphasis given to media sales than to truth and reality," Clay said.

He charged that the media promulgate negative self-images among black children, that very few stations are locally owned and are, therefore, unresponsive to local problems, and he urged the industry "to investigate its own bad practices with the same zest with which it has run investigations into every other human endeavor."

Michael Rice, vice-president of WGBH, said he hopes that, with the advancement of minority persons at the station, more may be able to hold management positions in the near future.

Reacting to Clay's speech, Rice said WGBH has a 10.2 percent level of minority employment, encompassing all levels.

#### A FOUNDATION OF SAND?

### HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 7, 1974

Mr. ASHBROOK. Mr. Speaker, U.S. policy toward Communist China has been built on a principle of balancing the interests of the Soviet Union against those of Red China. At least in part, this theory views such a balancing act as a means for the United States to gain maneuvering room and thus be able to add to world stability. Too often this attempt has resulted in great gains for both the Soviets and the Communist Chinese while providing very little to Americans in return except for the dubious privilege of footing the bill for various East-West trade schemes.

Prof. Jun Tsunoda, a Japanese expert on Chinese affairs, has recently put U.S. relations with Communist China in perspective. He raises a number of questions that too many Americans have attempted to brush under the carpet. He states that in United States-mainland China relations:

The question then arises whether it is possible and safe to develop the American policy of détente with China on the basic assumption of the stability of the Chou regime and of the continued domestic supremacy of China's pro-American faction over its pro-Soviet one.

This question is one that must receive more attention and debate than it has engendered to date. At this point, I include in the Record excerpts from Professor Tsunoda's speech published in the Christian Science Monitor, December 27, 1973, entitled "How Stable Is Chou's Regime?"

#### HOW STABLE IS CHOU'S REGIME?

(By Jun Tsunoda)

(Excerpts from a speech given at the Interuniversity Research Colloquium on East Asia held at the Institute for Sino-Soviet Studies of the George Washington University.)

The basic foreign policy issue the first Nixon administration had to face immediately after its inauguration was how to extract American troops from the war in Vietnam.

First the Nixon-Kissinger diplomacy placed this issue within the context of the triangular relationship between the Soviet Union, mainland China and the United States. It then did its best to persuade the two Communist adversaries to wash their hands of the Vietnam affair by paying the sensible price of opening an era of détente with the U.S. As a result the Vietnam war became sufficiently "deglobalized" or localized to enable the unilateral withdrawal of American forces free from any hostile maneuver on the part of the two Communist powers. It was a brilliant piece of statecraft and one would like to see similar success in America's future détente toward mainland China.

Most probably, in the remaining three years of the second Nixon administration, America's China policy will be centered around the following questions:

In a positive sense, how far can the U.S. proceed with its détente policy and have tangible results? In a passive sense, how long can it continue to profit from a situation of seeming confrontation between the two Communist giants?

The Mao-Chou regime in China today is based on a mix of Mr. Mao's charismatic authority and Mr. Chou's functional control. Yet, even with the benefit of Mao's charisma, one of the severe domestic problems Mr. Chou now faces is the existence of radicals who are still faithfully following the spirit of the Cultural Revolution. Indeed, at the 10th Party Congress, one of the party's five vice-chairmen and its rising star, Mr. Wang Hung-Wen, declared that the revised Constitution fully recognizes the great victory and importance of the Proletarian Cultural Revolution, and that this kind of revolution ought to be repeated many times from now on. To that extent at least we may not be able to take the stability of the present Chou administration much for granted, not to speak of the time when Mao leaves the scene and Chou's functional control of the government is deprived of the protection it now receives from Mao's charisma.

Moreover, in at least some of the provinces, the effective government is provided, not only by the Chou administration nor by the party, but by the local military regions or districts with military commanders at their head. Some of these military commanders have been in the same position for 15 years, and recently assumed the additional functions of first secretary of the Provincial Party Committee and chairman of the Provincial Revolutionary Committee. Thus they are really local leaders in both the military and the party apparatus. In these circumstances the new critical issue, largely stemming from the Cultural Revolution, is the increasing importance of the Army's role and the unmistakable trend toward a system of regional autonomy.

Prof. Franz Michael has written: "One is almost tempted to compare the situation of the present scene to that after the death of Yuan Shi-Kai." It was Yuan's death that brought about an era of so-called warlords. When Mao has gone and Mr. Chou has to stand on his own, will it touch off a new period of warlords? Or will the present situation of flexible, precarious and uneasy "peaceful coexistence" among contending factions last far into the post-Mao era?

Further still some of Mr. Chou's potential internal rivals, both among the radicals in the central party organization and among the military commanders in the regions, are fundamentally pro-Soviet and anti-American. The radicalism, the strong pull toward centrifugal regionalism and the threatening posture of a huge Soviet Army ready to exploit any possibility of an internal struggle together might well lead to the emergence of a potentially strong political force which would look to the Soviets in times of internal crisis.

The current image of definitive Sino-Soviet incompatibility seems to have been created somewhat artificially for three reasons: first to label Mr. Chou's internal rivals as pro-Soviet traitors; second, to justify his pro-American policy before the party organization; and, last, to devise a suitable pretext for wooing the U.S. by displaying an all-out anti-Soviet posture.

The possibility of an eventual rapprochement of the two Communist giants cannot be ruled out. After all, the picture of the two Communist powers fighting against one another, first diplomatically, then possibly by force of arms, with "Imperial America" being the beneficiary, never does make sense in an unqualified way.

The question then arises whether it is possible and safe to develop the American policy of détente with China on the basic assumption of the stability of the Chou regime and of the continued domestic supremacy of China's pro-American faction over its pro-Soviet one.

#### THE CHALLENGE TO AMERICA

### HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 7, 1974

Mr. FOUNTAIN. Mr. Speaker, my distinguished colleague, the Honorable RICHARDSON PREYER, who so ably represents the people of the Sixth Congressional District of North Carolina in this House, recently addressed the annual awards night of the Pfafftown, N.C., Jaycees.

His message recognized the many problems facing our Nation today, and addressed itself to steps we must take to overcome them. But, basically his message was one of hope, of faith in the basic soundness of our time-tested American system, and of faith in the way Americans who love their country always rise to the challenge and overcome adversity.

My colleague believes, as I do, that problems can be solved if people of good will, collectively and individually, buckle down to solve them. Mr. PREYER looks upon the decade ahead as a time when, hopefully, America will find "its way home again."

Mr. Speaker, I would like to share Mr. PREYER's remarks with my colleagues in the Congress. The text of his remarks follows:

#### THE CHALLENGE TO AMERICA

(By Congressman RICHARDSON PREYER)

We Americans usually anticipate the future with optimism, but as we enter 1974, much of our usual confidence seems to be ebbing away, drained by worries about the two big E's: the economy and energy. There are worries about the Middle East; worries about the shaky détente with Russia; and

in the revealing light of Watergate, worries about the delicately balanced system of American government. Can something designed in the 18th Century—the Age of Reason—cope with the large and complex problems of today?

Despite all these confusions and fears, there is one very encouraging sign. And that is, as all politicians are keenly aware, that the American people are far from being apathetic. Confused? Yes. Angry? You bet. Giving up or despairing? Never. As Governor Jimmy Carter of Georgia recently said, the American people "are searching for some stability and some faith in government, and they haven't seen it yet. The people have a great reservoir of willingness to sacrifice if they feel they are being told the truth. The people want something cleansing. They want to do something to show allegiance to the country." The tremendous popularity of the recorded Canadian editorial, called America, is an expression of this sentiment.

We should all be concerned about what effects price increases in oil have on inflation in this country and the international monetary system. We should be worried about the alienation of so many citizens from our government and institutions. But Americans want to respond, want to show their love for their country and want to help, if only they can be given a sense of where they stand and what is required of them.

Despite our people's many strides toward a better life, we now find ourselves strangely lacking a sense of direction. Though plagued by shortages of fuel and food, America now experiences shortages of commodities far more precious to national sustenance. There is a shortage of vision and excellence in this country. Who can deny their importance to a free and dynamic people?

Shortages of energy do not mean an end to the good life. Nor do they signal the blandness and colorlessness of a new spartan state. America, even under most severe pressure, remains a remarkably bountiful land. Its ability to provide for its population life's necessities—even luxuries—is truly unique in the world. And yet, it is clear we cannot continue as we have before. Today, the United States requires a more realistic society of consumers—one that accepts new responsibilities to curb old habits. By recognizing that the good life is not necessarily one of quantity, we can preserve its quality. Obviously, we must change our idea of what the good life is . . . or risk an altogether uncertain future. This period of the energy crisis can be a period of national grace, rather than a time of catastrophic decline or sluggish standing pat.

In the long run, as William Simon has pointed out, "technological development will solve our new energy problems—in fact, I'll go even further: I think the search for new sources of energy may one day effect as radical an improvement in society as we know it today, as did the industrial revolution in the society of its day."

Strong words, but in forecasting the future, we must never forget the power of knowledge and technology. Who, years ago, could have predicted the invention of the transistor, a work of genius that occurred only twenty-five years ago this past December 23d. After the steam engine and the electric light, the transistor has transformed the very character of our civilization. We are wrong to assume, as the doomsday prophets do, that the problems we project into the future will not be modified or totally changed by the heroic potential of the human mind. Some breakthrough like the transistor may alter the future in a way we cannot now foresee.

Man cannot live without dreams, but he should not permit them to substitute for what is real and concrete in the immediate future.

In the long run, we can shift to alternative sources of energy; solar, geothermal, and nuclear fusion to cite just three. We now know these are workable alternatives but existing technology will require ten to twenty years to make them practical alternatives. So what must ensue is a period of transition. We must recognize that there is no quick fix for the immediate problems we face. These problems will require sacrifices and changes in our patterns of consumption. Yet, we can make a virtue out of these sacrifices and changes.

We shall not discover that the problem will go away if only we regulate, or nationalize, the oil companies. I am no defender of the oil companies. I have consistently opposed the tax preferences they have received. Moreover, I resent the very blatant way in which oil interests defeated the Emergency Energy Bill, with its provisions insuring against any "windfall" profits falling to oil producers. The oil industry's reporting system is inadequate; we must change it. Notwithstanding public propaganda to the contrary, oil companies may well be profiting excessively at the expense of the American consumer; and if so, we must change it. The industry now is being subjected to the most vigorous of investigations. Ultimately, what needs to be done to protect the American public must be done, with no exclusions and no deals at the public's expense.

But whatever measures are enacted will not return us to business as usual. There will still be shortages with which Americans must contend.

Nor can we solve our problems by throwing all of our fledgling environmental laws out of the window. Admittedly, environmental concerns have contributed to the decline of our domestic energy supply. Clean air standards did cause many power companies to switch to oil as an easy and cheap way to meet those standards, rather than develop the stack scrubbers which would allow the continued use of high-sulphur coal. Unfortunately, there have been unreasonable delays in licensing nuclear power plants. And auto emission standards have reduced the miles we get per gallon—but not so much as does the weight of the car, its airconditioning unit, or automatic transmission. General Motors estimates that next year's models will carry anti-pollution devices able to improve gas mileage by 13% over this year's. Last year for the first time in the history of this country the air was cleaner than it was the year before. Clearly, the United States is making significant progress towards improving the quality of its air and water. We must, of course, make some reasonable compromises between our environmental laws and our energy needs. But as Mr. Simon has pointed out, solving the energy crisis must not conflict with environmental goals. We can mobilize our talents and technology to solve both problems. For example, the new automobiles must conserve energy and be clean. Hopefully, such an engine can be developed for heavy cars, as it has been for small. If not, we should first consider giving up large cars, its air conditioning, or other luxuries before we ruin the quality of our air, and thus degrade the quality of our life. Wherever possible, we must make a blessing of doing without. Wherever necessary, we must give up what is merely desirable to keep what is essential. If we must give up driving large cars or if we must drive at 55 miles per hour as the price of saving our environment and keeping industry operating, then let's do it. Who knows, we may learn to enjoy it. Industry is learning it can make substantial savings in energy without cutting production. DuPont has increased production 100% with only a 50% increase in energy over the past few years. It appears that we can cut residential energy consumption by two-thirds simply by using existing technology: i.e., by using our waste heat—hot water from bath-

tubs and dishwashers; by capturing warm air expelled from dryers and refrigerators; and by using heat-pumps and solar collectors. Americans have been on a wasteful energy binge. We will be more efficient as a country—leaner and tougher—when we leave that phase behind us. And above all we will feel better about ourselves.

But we will make these sacrifices if we know we are being told the truth. At the present time, we are all uncertain. We receive a new set of figures each week. Still it is coming clear that there is an energy crisis though the exact degree of our shortfall remains in doubt. But this is of less importance than the fact that there is such a shortfall. We must act accordingly. And that means reducing our consumption of energy and allocating it for the most essential uses.

We must maintain the necessary energy supply to our vital users: farms; health care facilities; educational centers; and vital transportation and industries. This means that substantial responsibilities for conservation must be assumed by the average citizen. Better a colder house than a warm house without jobs for those living in it. Better the rationing of gasoline before the rationing of food because farmers lack fuel to harvest their crops. At the same time, this does not mean that we must shut down the recreation industry, or tell the individual citizen that he cannot go fishing because it is a "nonessential" activity. No bureaucrat can judge what is most important and necessary to the well-being of an individual. If a citizen chooses to walk or ride the bus each day to save his gas so that he can go fishing or skiing each weekend, that is his decision to make. So long as our vital needs get all the energy they require, then individual value preferences must be free to determine how whatever remaining energy is allocated.

Americans are the most generous and most public-spirited people on earth. They will respond cheerfully when challenged to sacrifice for their country. And I hope our institutions and our government will respond in a way that will help them regain the confidence of the American people. We in government must resist the temptation to demagogue this issue. This is the time, if ever there was one, to call on reason and conscience rather than politics as usual. In the days ahead, there will be many ways, great and small that each of us can express love for our country. If each of us does his or her part, we can look back on this coming decade as a period of national grace, as a cleansing and purifying experience, and as a time when America found its way home again.

**SURFACE MINING RECOMMENDATIONS TO THE FEDERAL ENERGY OFFICE**

**HON. MORRIS K. UDALL**

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 7, 1974

Mr. UDALL. Mr. Speaker, the issue regulating the environmental impact of strip mining for coal is still before Congress. Last session, the Subcommittees on Environment and Mines and Mining reported such a bill to the full Interior and Insular Affairs Committee. Considerable work went into this bill by the 32 members of the subcommittees: 6 whole days of hearings; 2 lengthy regional field trips, one in the eastern coalfields and the other in the western coalfields; and over 20 markup sessions.

The underlying premise of H.R. 11500 is that coal strip mining is a controllable activity and that the environmental and social impacts common to past and present strip mining can be avoided and prevented.

Last month, the Environmental Advisory Committee to the Federal Energy Office unanimously adopted a recommendation concerning specific provisions which should be included in a Federal bill to regulate strip mining. While neither I nor my staff were involved in the preparation of these recommendations, I believe that H.R. 11500 contains the principles enunciated in the recommendations. For the information of my colleagues, I am inserting the following text of the Environmental Advisory Committee's recommendation and a listing of the Advisory Committee members:

#### RECOMMENDATION

It is clear that America must use more coal to meet its energy needs, and increasing amounts will be exported. There are broad and deep deposits sufficient to meet all needs for many decades that can be mined efficiently from the surface in areas where land reclamation after mining is feasible. Less than three per cent (3%) of mapped coal resources in the United States are stripable, but at present surface mining accounts for half of our domestic coal production. Therefore it is imperative that Congress promptly enact and the President sign strip mine legislation adequate to accomplish the following standards and regulations:

1. Require back-filling and regrading to the approximate original contour.
2. Require the elimination of high walls, spoil piles and depressions.
3. Require re-establishment of permanent vegetative cover with the liability of mining companies extended long enough to see this accomplished.
4. Prohibition of strip mining in any area unless the operator can demonstrate that reclamation is possible.
5. Prohibition of strip mining in National Parks, Wildlife Refuges, Wilderness Areas, and National Forests.
6. Bonding of operators to assume performance to the required standards.
7. Authorization of lawsuits by citizen groups in aid of enforcement.
8. Protection for farmers and ranchers when mineral rights to their lands are held by the government.

Further the Federal government must have interim authority to regulate strip mining according to the prescribed standards until states pass conforming laws, and there must be continuing Federal authority to intervene if a state fails to enforce such laws. This committee urges the Federal Energy Administration to support such legislation and to work for its passage in the 1974 session of Congress.

#### ENVIRONMENTAL COMMITTEE

Chairman: Mr. Larry Moss, Sierra Club, Washington, D.C.  
 David D. Dominick, Washington, D.C.  
 Malcolm Baldwin, The Institute of Ecology, Washington, D.C.  
 Ed Storbahn, Natural Resources Defense Council, Washington, D.C.  
 Eldon Greenberg, Center for Law and Social Policy, Washington, D.C.  
 Paul Ignatius, President, Concern, Inc., Washington, D.C.  
 Lois Sharpe, Environmental Quality Staff, Washington, D.C.  
 Charles H. Callison, Exec. V.P., National Audubon Society, New York, New York.  
 Grant Thompson, Environmental Law Institute, Washington, D.C.

Douglas M. Costle, Commissioner, Dept. of Environmental Prot., Hartford, Connecticut.  
 William Reilly, President, Conservation Foundation, Washington, D.C.  
 Administrative Liaison, Mr. Jim Oberwetter, Special Assistant to the Administrator, Environmental Protection Agency, Washington, D.C.

#### EMERGENCY FUEL TAX SUSPENSION

### HON. BILL GUNTER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 7, 1974

Mr. GUNTER. Mr. Speaker, I have introduced legislation today to provide what I believe will be faster, more meaningful, and more equitable relief to the Nation's truckers, and ultimately to consumers generally, from the skyrocketing costs of diesel fuel that can or should be attained by means of a so-called surcharge or pass-along provision, which would simply allow independent truckers to pass along to others the higher costs of fuel they have been having to pay.

The action of the House today, and the Senate before it, in passing the joint resolution permitting the Interstate Commerce Commission to immediately implement its recent order effecting such a pass-along provision, seems to me to be the least equitable and least promising of the various alternatives available for alleviating the crisis we have been experiencing.

I voted for the joint resolution because of the gravity of the nationwide strike by independent truckers, and in hopes that taking some form of affirmative action might contribute to the success of the tentative agreement reportedly reached early this morning by negotiators for the truckers and the Federal Government.

A key element of that settlement package also reportedly centers on a surcharge provision.

I believe strongly, however, that this type of approach is unwise and in the long run unworkable, and that the Congress must now act promptly to provide more equitable and meaningful relief.

The emergency bill I have introduced today would suspend the 4-cent-a-gallon Federal tax on diesel fuel for 6 months, tied to a freeze of diesel fuel prices at January 15, 1974 levels. The action would give independent and other truckers immediate large-scale relief from mammoth diesel fuel price increases which led to the nationwide strike.

The bill would require that oil companies fix their prices for diesel fuel at January 15, 1974 levels—minus the 4 cents a gallon that would ordinarily have been collected as Federal tax and put into the highway trust fund.

This provision is designed to guarantee that the truckers and those they serve—not the oil companies—actually get the benefit of the tax reduction for 6 months, and that diesel fuel prices are not increased by the oil companies in the meantime.

The Federal tax would be reinstated in 6 months. However, by that time there will exist a wide array of statutory authority for dealing with these skyrocketing fuel costs across the board, including creation of a Federal Energy Administration with broad powers, and action at the legislative level to roll back oil prices to a sane and reasonable level.

The tax suspension would be minimal in relation to the overall size of the highway trust fund, which currently enjoys a \$2 billion surplus which, under the law, cannot be used anyway for any other, nonhighway purpose. In this instance, by suspending the diesel tax, we would in fact be serving a very critical highway purpose—to get the Nation's trucks and its food supply moving again.

If enacted, the emergency bill would cut diesel fuel costs to truckers by an estimated \$185 million over the next 6 months. It would provide immediate and meaningful relief in that area where a few cents difference can mean the difference between staying in or going out of business for independent owner-operated trucks—the cost-per-mile of operating the vehicles. This savings of 4 cents a gallon, tied to freeze at January 15, 1974 levels, could save many independents now on the verge of bankruptcy.

Unlike the freight rate surcharge proposal, which would create additional costs for everyone, from the businesses which hire truckers to haul goods to the ultimate consumer, the emergency legislation I propose would reduce fuel costs for truckers without passing along new costs to others in the economy and ultimately to consumers.

The surcharge proposal is inherently inequitable because many who must rely on independent truckers are themselves small businessmen on the verge of bankruptcy; some could pass along the surcharge to their customers; there is considerable doubt as to whether many others could. Even where they could, it is a case ultimately of the average consumer getting socked again.

The only ones who get home free on the surcharge proposal are—once again—the giant oil companies, with their record profits.

Moreover, the surcharge proposal could well worsen, not solve, the fuel cost problem faced by the truckers themselves, because the ripple effect of this surcharge, as it passes through the whole economy, is bound to have its impact, and it will be a depressing one. Eventually, these new costs will come home to roost and the burden will fall again on the truckers as more businesses fail and there are fewer goods to haul by truck.

In addition, the ripple effect might well stimulate a new round of fuel price increases once it is possible to simply keep imposing a surcharge and passing new increases along to already hard-pressed sectors of the economy.

The oil companies, in summary, ought to be delighted with the imposition of a surcharge.

If approved by the ICC, the surcharge will come back to haunt us over and over during the coming months as a result of this inherent inequity and weakness. It

would have a particularly adverse effect on the working poor, small business already up against the wall, and consumers with small fixed incomes.

Mr. Speaker, despite the reports of a tentative strike settlement, which are still fragmentary and incomplete at this hour, the basic emergency situation still remains, and from what we now know of the outlines of that tentative settlement, I believe it will continue in large measure to remain.

To the extent that a key provision is the one relating to the imposition of a surcharge or pass-along, it would leave out perhaps 40 to 50 percent of the independent operators who are now affected by the impossible rise in diesel fuel costs. This group represents those engaged in intrastate, not interstate, commerce only. Of those engaged in interstate commerce, it is not by any means clear that these increases can in fact practically be passed along in many cases. The best evidence of the inadequate nature of the surcharge as a form of relief is that apparently a large portion of the truckers, perhaps a majority are not happy with the surcharge concept, either in terms of providing meaningful relief or as fair and sensible general approach. It appears that the administration, however, was insistent that this approach be adopted.

I therefore believe that the emergency remains, and it is a very real emergency.

In my own State of Florida, food is simply not moving. The State's \$2 billion a year citrus industry, among many others, is immediately threatened.

When one considers the same dire threat facing each of the 50 States, it is apparent that the \$185 million in Federal fuel taxes we would forsake for 6 months under the emergency legislation I propose is a very small amount indeed compared to the tens of billions of dollars that may be lost to all segments of the economy if something is not done immediately to get food and other vital materials moving again.

The legislation I have proposed also calls on State and local governments to consider some degree of relief by suspending a portion of the fuel taxes they impose for a reasonable length of time wherever possible.

But I also believe in this emergency situation, and given the facts and the various alternatives, that the Members of the House Committee on Ways and Means of the Senate Finance Committee can now render an immediate public service by moving promptly and vigorously, on an emergency basis, to provide

prompt relief that will be both immediate, dramatic, effective, and equitable.

Operating through the Ways and Means Committee with this type of legislation and approach also offers, among the legislative alternatives, I believe, the quickest possible legislative solution, and for that reason I am writing personally to the chairman and members of those committees urging immediate action.

Mr. Speaker, this is one of those occasions where the Congress can demonstrate its own responsiveness and power to act, and to dispel the myth that only the executive branch is capable of action.

In this instance, the executive branch has had every opportunity, for months now, to act meaningfully and effectively, and despite the precarious and tentative strike "settlement," they are still basically floundering.

I believe it is time, Mr. Speaker, for the Congress to now use the strong tools clearly available to it in order to bring the Nation out of this chaos which no one in the Federal Energy Office or apparently any other area of the executive branch seems to know how to do.

I invite the support of all of my colleagues and urge in the strongest possible manner that the Congress now act firmly, effectively, and promptly to end this emergency.

#### "MURDER BY HANDGUN: THE CASE FOR GUN CONTROL"—NO. 70

### HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 7, 1974

Mr. HARRINGTON. Mr. Speaker, for the last 8 months, I have been inserting newspaper accounts in the CONGRESSIONAL RECORD which describe deaths attributable to firearms. My intent has been to document the slaughter which stems from having guns, especially handguns, around as much as we Americans do—not only in the possession of criminals, but all of us.

Today I have submitted a bill to prohibit the possession of handguns by the general public. I realize this approach puts me at odds not only with the so-called gun lobby but with many of my colleagues who have sponsored bills to ban the "Saturday Night Special" pistol or institute other forms of limited controls. But I have come to believe that we can save thousands of lives if we prohibit

possession of all handguns, except for military personnel, the police, approved security guards, licensed pistol clubs, and collectors of inoperable antiques. My bill would not affect long guns in any way, and would create a 6-month amnesty period in which handgun owners could turn in their firearms to a law enforcement agency and receive the fair market value of the pistol.

Submission of this bill culminates my examination of the handgun problem by means of these daily inserts. Elsewhere in today's RECORD appears a full statement of mine setting forth the reasoning behind my proposed bill. I commend it to the attention of those concerned about the gun problem in this country.

#### TOLL-FREE CALLS TO GOVERNMENT AGENCIES FOR LOS ANGELES RESIDENTS

### Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 7, 1974

Mrs. BURKE of California. Mr. Speaker, the residents of California are located some 3,000 miles from Washington, D.C. There are numerous occasions, however, for these residents to be in contact with Federal departments and agencies. As part of the continuing effort by the Government to reach and provide for all citizens, I include a listing of the toll-free numbers for Los Angeles residents in the RECORD at this point:

#### LIST OF TOLL-FREE GOVERNMENT NUMBERS

1. Action, 800-424-8580, (Information on Action programs, i.e. Peace Corps, VISTA, SCORE, ACE, Foster Grandparents, etc.).
2. Air Force Recruiting, 800-447-4700.
3. Air Force Reserve Recruiting, 800-525-9984.
4. Center for Disease Control, Venereal Disease Branch, "VD Hotline" 800-523-1885, (Listings of clinics, doctors, etc. for people needing help).
5. Consumer Product Safety Commission "Product Safety Hotline", 800-638-2666, (For complaints about products consumers have found unsatisfactory or unsafe).
6. Federal Job Information Centers, 688-3360.
7. Department of Housing and Urban Development, 800-424-8590, (To complain about housing discrimination).
8. Internal Revenue Service Federal Tax Assistance, 688-4040, (For answers to Federal tax questions).
9. Justice, "Heroin Hotline", 800-368-5363, (To anonymously report drug pushers/abusers).