

told, the electric generating system can supply up to 54,000 kilowatts hourly to the national power grid, enough power to heat 3,000 homes.

The turbines were especially designed to service the needs of the companion water distillation plant where five multi-stage evaporators in the system convert salt water into distilled water for industrial usage. Each evaporator can turn 50 tons of steam received every hour into 450 tons of distilled water. The total daily output is almost 13 million gallons, enough to serve the daily domestic needs of a municipality of more than 100,000 people.

The 280-employee plant is situated on the ship channel between Rotterdam and the North Sea. Special unloading facilities with grab cranes were built along the channel to receive refuse brought by water from other areas in the Rijnmond district.

Detectors in the district mounted on tall masts constantly monitor atmospheric conditions such as wind direction and velocity, temperature, pollution index, humidity, atmospheric inversions and other relevant data. This information is relayed to an air-pollution registration center, which analyzes the data and reports periodically to the operators of the waste treatment center. In this manner periodic adjustments can be made to keep air-pollution at a minimum.

A long-term contract with the Netherlands University of Technology will provide continuing research in the ability to extract even greater amounts of hydrochloric and sulfuric acids from the chemical refuse. Judging from the direction of the efforts at the Botlek plant towards maximum resource recovery, new terminology will have to be invented. If the Rijnmond center achieves its goal, almost nothing in the Netherlands will "go to waste."

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CERTAIN ACTION TO BE TAKEN DURING THE REMAINDER OF THE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that for the re-

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mainder of this Congress it be in order to refer treaties and nominations on the days when they are received from the President even when the Senate has no executive session that day.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order for the proper members of the staff to receive bills, resolutions, and amendments at the desk when signed by the respective Senators at any time during the day when no question is raised thereon, and that in accordance with the rules they be appropriately referred, or amendments be ordered to be printed and lie on the table.

Mr. President, I withdraw that request.

Mr. President, I ask unanimous consent that it be in order at any time during the session of the Senate and for the remainder of this Congress for members of the staff at the desk to receive remarks from Senators for insertion in the RECORD when signed by Senators and when presented at the desk by Senators only.

The PRESIDING OFFICER (Mr. HART). Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 10 a.m. tomorrow.

After the two leaders or their designees have been recognized under the standing order, the Senate will resume the consideration of the unfinished business, S. 2747, to amend the Fair Labor Standards Act of 1938.

There is a time agreement on that bill and on amendments thereto.

Yea-and-nay votes will occur.

It is hoped and believed that final action may occur on that bill tomorrow.

ADJOURNMENT TO 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 a.m. tomorrow.

The motion was agreed to; and at 6:07

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fairs of Allegheny Airlines and herself a native of the Commonwealth.

I insert this fine example of contemporary writing in RECORD, as follows:

BOSTON EXAMINES ITS IMAGE AND FINDS IT DELIGHTFUL

(By Beverlee Ahlin)

The City of Boston—"The Athens of America"—"The Hub"—"A State of Mind".

Known as each and all of these since colonial times, Boston is today a city of infinite variety. Increasingly, it has become an attraction and a haven for every visitor—the scholar, the businessman, the artist, the tourist and the history buff. And as the well-planned "Boston 200", its Bicentennial celebration, approaches, it will become more fascinating than ever, not alone for Americans but for visitors from every land.

Mr. O'NEILL. Mr. Speaker, as the city of Boston, the Commonwealth of Massachusetts and, indeed, the entire Nation approach our celebration of the American Revolution Bicentennial, I offer with pleasure a sparkling article on venerable-yet-modern Boston which appeared recently in the Executive magazine.

Its authoress is Beverlee Ahlin, assistant to the vice president for public af-

p.m. the Senate adjourned until tomorrow, Thursday, March 7, 1974, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate March 6, 1974:

IN THE AIR FORCE

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapters 35, 831, and 837, title 10, United States Code:

To be major general

Brig. Gen. Willard W. Millikan, XXX-X-
XXX-FG, Air National Guard.

Brig. Gen. Valentine A. Siefermann, XXX-FG, Air National Guard.

To be brigadier general

Col. Doyle C. Beers, XXXX-FG, Air National Guard.

Col. Robert G. Etter, XXX-XX-XXXX-FG, Air National Guard.

Col. Eugene G. Gallant, XXX-XX-XXXX-FG, Air National Guard.

Col. Joseph H. Johnson, XXX-XX-XXXX-FG, Air National Guard.

Col. Lloyd W. Lamb, XXX-XX-XXXX-FG, Air National Guard.

Col. Robert B. Maguire, XXX-XX-XXXX-FG, Air National Guard.

Col. Donald E. Morris, XXX-XX-XXXX-FG, Air National Guard.

Col. Stanley F. H. Newman, XXX-XX-XXXX-FG, Air National Guard.

Col. Richard F. Peterchess, XXX-XX-XXXX-FG, Air National Guard.

Col. Darrol G. Schroeder, XXX-XX-XXXX-FG, Air National Guard.

Col. Harding R. Zumwalt, XXX-XX-XX-FG, Air National Guard.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for permanent appointment to the grade of major general:

Kenneth J. Houghton James R. Jones
Frank C. Lang Charles D. Mize
Robert D. Bohn Norman W. Gourley
Edward J. Miller

The following-named officers of the Marine Corps for permanent appointment to the grade of brigadier general:

Albert C. Pommernik William L. Smith
Herbert L. Wilkerson Arthur J. Poillon
Manning T. Jannell Kenneth McLennan
Ernest R. Reid, Jr. Joseph Koler, Jr.
Clarence H. Schmid George R. Brier
Edward A. Wilcox

The following-named officers of the Marine Corps Reserve for permanent appointment to the grade of brigadier general:

Robert E. Friedrich
Paul E. Godfrey
Allan T. Wood

"Boston runs to brains as well as to beans and brown bread," said one such traveler years ago. How true it is!

The city has within its borders and close by one of the finest educational complexes in the world. Boston University, Northeastern University, Simmons College, and just across the river, the towers of prestigious Massachusetts Institute of Technology, Harvard College's "Yard" (never "campus") and the leafy environs of Tufts University, to mention but a few.

These great institutions of learning have contributed down the years not alone to tens of thousands of inquiring young minds but to the solution of the problems of modern business and government and to the daily improvement of America's way of life.

But this "Athens of America" includes as well not alone these groves of Academe but a

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wealth of other cultural offerings almost beyond count.

No visitor to Boston can afford to miss the city's Symphony Hall and its magnificent orchestra, or its superb Museum of Fine Arts. And it would be unforgivable not to visit the Museum of Science, the Hayden Planetarium, and—it's breath-taking!—the Gardner Museum, once the impressive home of Isabella Stewart ("Mrs. Jack") Gardner.

"Mrs. Jack", by the way, a beautiful creature, was also a woman of fearless independence, as staid Boston realized the day she appeared on Beacon Street with a leopard on a leash!

Happily, Boston is not a city that neglects its children's cultural growth, a fact clearly evident in its Children's Zoo, Children's Art Centre, Children's Museum and, in a traveling "stagemobile", its Children's Theatre.

This reference to children recalls the little Mormon girl in Salt Lake City who, when asked by a visiting Boston lady if she knew where Boston was, replied quickly, "Oh yes, we have a missionary there!"

"Something old, something new—" aptly identifies Boston today. At the very top of Beacon Hill stands the dignified State House, the creation of the talented Charles Bulfinch, while across the Common and the Garden the swan boats continue to glide serenely on a placid pond as they have for decades past.

In the nearby Back Bay there still remain streets that evoke the era of the gaslight and the brougham and lovely Louisburg Square remains an architectural and environmental delight to every eye.

Nearer the harbor, the Old State House still stands somberly overlooking the scene of the Boston Massacre. Faneuil ("Fan'l") Hall, once the site of impassioned patriots' speeches, does double duty as an historic relic and as the center of a bustling market area.

Old Boston, "The Cradle of Liberty", is everywhere evident but the New Boston is overwhelming!

By reason of the imagination and energy of its leading citizens and with the whole-hearted support of every resident, the city has quite literally lifted itself up by its bootstraps and, in selected areas, has undergone a magnificent restoration and renewal.

Central to this civic triumph is Boston's spectacular, new City Hall, its architectural style reminiscent of ancient Aztec creations, yet its design as modern as tomorrow.

Recipient of several international awards as "superlative", "outstanding" and "epochal," this splendid public building brings a warm glow of pride to every Bostonian's heart.

Surrounding the spacious "piazza" before the City Hall stands a circle of equally modern government buildings of clean design and attractive facade, each of them a symbol of the Boston of today.

Farther on, over Beacon Hill and toward Back Bay, there tower the Prudential Center and the John Hancock Building, evidence of the determination of Boston's business community to aspire to the best and most useful, just as did their thrifty forebears whose labors created "The Hub".

Yet nothing, perhaps, so melds the antique traditions of Boston and its life today as the Boston 200 Master Plan, its projected celebration of the Bicentennial, for which, as Mayor Kevin White puts it, "The City is the exhibit."

The official "Boston 200" program will begin on April 18, 1975, and last through December, 1976. Meanwhile, the city's planning emphasis is upon five special areas:

1. Citygame—dramatizing Boston's wealth of historical, cultural, educational, scientific and civic institutions; 2. Festival American, which will commemorate historic events of the past and the richness of cultural life today; 3. Physical and Environmental Improvements, transportation and recreational

facilities, campaigns for an ever cleaner Boston; 4. Visitor Services in their every aspect and detail; 5. Economic Development, proof positive of the appeal and benefits of living, working and doing business in this old-new city by the sea.

The entertainment highlight of "Boston 200" may well prove to be the Tea Party Weekend! This will include, on December 15-16, 1975, an afternoon tea and an 18th century concert at the Old South Meeting House (where tumultuous gatherings were held just preceding the original Boston Tea Party), a Tea Party Ball, with entertainment of the 18th century, at the Boston Center for the Arts, and then the re-enactment of the first "Tea Party" by the Charlestown Militia and the Massachusetts National Guard.

"But this time", says Harron Ellenson, coordinator of the Tea Party Weekend, "instead of dumping tea and adding to the pollution problems of Boston Harbor, we'll signal our cooperation with local ecology groups to begin a clean up of Boston's waterways!"

Access to Boston and to "Boston 200" will, of course, be available by land transportation in varied forms but nowhere so easily and swiftly as by air to Boston's Logan International Airport.

Described by former Mayor John Collins as "the most important asset Boston has", Logan International this year celebrates its 50th Anniversary, a tribute to those New Englanders who, half a century ago, saw further and saw more clearly than most of the rest of us.

The growing size of Logan, its unrivaled facilities, its 10-minute distance from the heart of the city—all these combine to make it, without question, an asset and an attraction of incalculable value.

Domestic flights alone, in and out of Logan, now exceed 500 per day and the dramatic addition of Allegheny Airlines' non-stop service to Washington and Philadelphia has been hailed as another new dimension of Logan's great passenger and cargo service.

"And this is good old Boston,

The home of the bean and the cod,
Where the Lowells talk only to Cabots
And the Cabots talk only to God."

No such frosty exclusiveness characterizes the Boston of today and travellers by air, rail or highway will find here a warm welcome and congenial people of every ethnic mix and measure.

The Boston Brahmin, perhaps more than the Indian, could be called "The Vanishing American" but his imprint remains on the city, to which his children continue to contribute much of enduring value.

To join him have come, during the past century, the Irish, the Italians, the Greeks, the Polish, the Scandinavians, the Chinese, the Armenians and the latter-day English (for Boston is the *most* English of all our cities).

These varied strains of blood and intellect, of skill and talent have combined to make Boston a truly cosmopolitan and genuinely hospitable town.

Nowhere is that hospitality more evident than in its hotels and restaurants. An hotel of the grande dame vintage, such as the Copley Plaza, is joined by the up-to-the-minute Sheraton-Boston in providing cheerful, spacious welcome. The dignified Ritz-Carlton looks obliquely across a corner of the Garden to the dependable Statler-Hilton and elsewhere in the city there is always "room in the inn".

*To which they replied from Connecticut:

"Here's to the town of New Haven,
The home of the Truth and the Light,
Where God talks to Jones
In the very same tones

He uses with Hadley and Dwight."**

** Former presidents of Yale.

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And in innumerable Boston restaurants, Brillat-Savarin, Escoffier and Diamond Jim Brady would find themselves happily at home. Lunching or dining out in Boston is not an occasion—it is a memorable event, as connoisseur and commoner have testified through the years.

Locke-Ober's, the Parker House, Jimmy's Harborside, Anthony's Pier 4, The Union Oyster House, Jake Wirth's, the Rusty Scupper, the Half-Shell, Stella's—they run the delightful, delectable gamut of menus but with each and all placing the accent on fine food and friendly service.

A cynical friend of the writer once remarked, "The way to a man's heart is not through his stomach but through his pride." I wonder, especially when I consider the gustatory persuasions of Boston.

But as life, in the truism, isn't all cakes and ale, so, too, the modern city, whatever its assets and attractions, faces sobering problems. Boston is no exception.

Mayor White and his predecessor, John Collins (now a member of the faculty at M.I.T.) both identify Boston's biggest problems as "the on-going renewal of the city in order to make it a cleaner, healthier, safer place to live."

For a city as old as Boston, urban renewal has been a monumental task and will be a continuing one, but the spirit and the values that made it great are still in abundant supply.

Crime and poverty, unequal rights, improved educational opportunities and facilities, more, and more meaningful, employment—these are the modern crises that afflict this ancient community—as they do every other in the land. But, as one old Yankee put it, "We'll lick 'em, as our fathers did theirs and we have a great advantage—they stood so tall before us."

That determination is everywhere evident—in Boston's energetic and invigorating business climate, in the optimism of its people, in its wonderful old-and-new architecture, in its educational institutions, in its imaginative public leadership, in its favored position in national and world geography, in its, well, in its just being Boston, the Boston of yesterday and today and very certainly, of tomorrow.

When next you visit Boston, go to Bunker Hill ("Don't fire until you see the whites of their eyes!") and be inspired by the scene below and around you. The narrow peninsula, the hilly terrain, the spacious and busy harbor—think then of how it was when first the Pilgrims came and of what has been overcome and achieved since.

Our days are no longer than were theirs, our nights are no darker, and we do have one cherished advantage—that they "stood so tall before us".

This, then, is the message of this "Athens of America", of "The Hub", of this "state of mind", of this pulsing, representative American city, this Boston.

RUSSIAN MILITARY GAINS

HON. STROM THURMOND

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES
Wednesday, March 6, 1974

Mr. THURMOND. Mr. President, further evidence of Soviet military gains vis-a-vis the United States are reported in the February 22, 1974, column of Ernest Cuneo.

This column appears in the San Diego Union newspaper and raises questions which each American citizen should ponder.

Mr. President, I ask unanimous consent that this article be printed in the Extension of Remarks.

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

RUSSIAN MILITARY GAINS ARE APPALLING
(By Ernest Cuneo)

Russia has already passed the United States as a military power and, on present projections, will outclass the United States by the early 1980s.

Apparently stampeded by a senseless mass hysteria against a mythical "military-industrial complex," the Congress has recklessly cut and slashed the military budget to the point where the U.S. armed forces in Europe are at the mercy of the Soviet forces in any showdown.

The probable reason that there is no showdown is that the Russian advantage grows by the day as American and North Atlantic Treaty Organization strength dwindles almost literally by the hour.

Russia has a military-industrial complex so huge that the country itself could not sustain it without forced labor and captive satellite contributions.

The Soviet army has just been increased numerically by lengthening the draft term from two to three years, the equivalent of raising the combat level by calling up 50 per cent of the reserves.

In the meantime, the U.S. Army morale has gone to pot. Abused, vilified and demoralized by powerful senators, many officers of the armed services want to get out. The vaunted volunteer plan is a sickening failure. Large numbers of the recruit-volunteers aren't fit for garrison, much less battle duty.

In its quiet way, Russia has capitalized its growing advantages brilliantly. It grabbed off Czechoslovakia ruthlessly in 1968. So that there would be no mistake of its contempt for the U.S. "protection," the Kremlin then announced "the Brezhnev Doctrine," the right to enter anywhere to protect socialist doctrine.

The answer in the U.S. Senate for this challenge was a backdown demand for the withdrawal of half of the U.S. troops in Europe.

Again, following the Israeli victory in the desert war of 1967, the Russians sent a fleet into the Mediterranean. It openly "brushed" the famed U.S. 6th fleet. Today, there are about 80 Russian warships to 60 U.S. Naval vessels in the eastern Mediterranean.

It is debatable, but naval opinion is almost evenly split on the possibilities of the U.S. 6th Fleet remaining in the Mediterranean if war comes.

In the meantime, Russia is on a crash naval building program.

With extreme cunning, Russia backed India against Pakistan, winning the Bangladesh war. This gave Russia the diplomatic preponderance in India. With Russian naval might, this is key to control of the Indian Ocean and the Bay of Bengal.

The American answer to this was a spirited if lumbering dash by Patrick Moynihan, the U.S. ambassador, to give away \$2 billion of American debt-dollars from India.

At the same time, his embassy leaked confidential American dispatches to leading India newspapers, extremely embarrassing to the U.S. government. Ambassador Moynihan has been suspiciously lax in pursuit of vigorous investigation of the leak.

In any event, in view of his own Middle East Munich, it is not particularly astonishing that Henry Kissinger is reported ready to promote Moynihan to under-secretary of state, when it is considered that Kissinger himself went to the Middle East to present the Russians with the thread which connects their new and glittering possession, the Suez Canal.

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Indeed, it was the Suez Canal upon which swung the Star of India which was Queen Victoria's lifeline. Whoever would have thought, only six years ago that the Suez lifeline—and the Star of India would be redesigned into the imperial gems of the Kremlin?

And, of all things, by that great team of Harvard professors: Galbraith, Moynihan and Kissinger.

And now, Dr. Kissinger presses on for détente.

By détente, Russia's military might will be multiplied by American goods on American credit.

At the rate American policy is going, Brezhnev's promise to the Russian people will be validated. He has told them that détente is only a ploy in the objective of Communist world domination, and by 1984, Western resistance will be all but impossible.

The idea of Suez under Russian domination would have been laughed at 10 years ago; but it's here.

Who knows? Today, Suez, tomorrow, the English Channel.

In the meantime, Gen. Andrew J. Goodpaster, supreme allied commander of Europe, a first class military officer and a quiet gentleman in the best traditions of the service, has strongly recommended that the United States arm its forces with small atomic weapons.

Small atomic weapons are about the only answer to the vast conventional military superiority which the Soviet army now already possesses in Europe.

Type	United States	U.S.S.R.
ICBM	1,054	1,600
ICBM warheads	1,794	1,700
Nuclear submarine missile tubes	656	700
Warheads on submarine missiles	4,000	700
Long range bombers	505	145
Tactical aircraft	5,000	4,500
Troops	2,200,000	3,400,000
Attack carriers	15	0
Support carriers	7	3
Cruisers and destroyers	160	219

JULIA BUTLER HANSEN

HON. ROBERT L. F. SIKES

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1974

Mr. SIKES. Mr. Speaker, one of the ablest, most charming and delightful among the distinguished ladies who have served in the U.S. Congress has announced that she will retire at the conclusion of the current term of office.

Somehow, it had never occurred to me that someday we would have to learn to get along in Congress without JULIA BUTLER HANSEN of the State of Washington. Not only did she bring to the Congress a wealth of experience in public life, she grew in her role as a Member of Congress, gained prominence in many responsible ways, became the first woman to serve on the House Committee on Appropriations, and rose to the historic position of being the first woman ever to chair a subcommittee of the Appropriations Committee.

As chairman of the Subcommittee on Interior and Related Agencies, Mrs. HANSEN left an indelible and very creditable imprint on her beloved America. Her

dedication to conservation made her ideal to serve in this post.

I gained particular respect for JULIA HANSEN when she was named to serve on the Subcommittee on Military Construction which I chair. Despite an incredibly busy and demanding schedule, Mrs. HANSEN left an indelible and very creditable present and working on the side of sound national defense and adequate facilities for living, working, and training, for military personnel. In all her work her position always has been based on facts. She never tired of digging deep to get the true picture of what was going on and she is a standout to other Members who have depended upon her for help and guidance and inspiration.

Mrs. HANSEN chose a career of public service early in life. There is no doubt she has earned time to rest and to enjoy her family and friends. But I doubt she will rest. Instead, I think she will seek out causes which need a champion and people who need help and advice. There are many who will continue to seek her help and counsel as they have for so many years.

Those of us who have had the honor to serve with her and to work with her in committee and for our Nation know of her great contributions to America. I am equally confident those she has served so well from her native State also know in detail and appreciate the good work of this remarkable woman.

She is in every sense, a credit to her State and Nation. Without her, both would be poorer. Because of her, both are richer and safer.

RETIREMENT OF CONGRESSWOMAN
JULIA BUTLER HANSEN

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1974

Mr. ADDABBO. Mr. Speaker, it is with a sad heart that I join my colleagues in paying tribute to the distinguished Member from Washington State (Mrs. HANSEN), who has announced her retirement at the end of this year. JULIA BUTLER HANSEN's career has been literally filled with accomplishments and milestones. As Members of this Chamber recall many of the highlights of her 37-year career in elected office at city, State, and Federal levels, I know that her constituents must be very proud of their Representative.

Mrs. HANSEN's retirement is not only a loss to her constituents and the State of Washington, but it is a very real loss to the Nation. As chairman of the Interior Appropriations Subcommittee, Mrs. HANSEN has been a leader in legislation dealing with the environment, national parks and forest lands, energy resources, fisheries, hydroelectric power and the needs of the Indian people.

JULIA BUTLER HANSEN has also been a friend to the residents of New York State and in particular to those living in or near my own Seventh Congressional District. It was Mrs. HANSEN's leadership

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which brought about the appropriations needed to carry on park programs throughout our State of New York and the appropriations to implement the recently enacted Gateway National Park program which opens up unique recreational opportunities for future generations to share the benefits of the Jamaica Bay area. Her retirement is a true loss to New York State.

Mrs. HANSEN has always been a compassionate Representative. Her concern for the Indian people and other minority groups produced meaningful programs to improve life and educational opportunities on Indian reservations.

JULIA BUTLER HANSEN is also a courageous, independent individual who is not afraid to propose bold new ideas or propose changes in the status quo. Her leadership in chairing the Committee on Organization, Study, and Review of the Democratic Caucus earned her the respect of both sides of the aisle in this Chamber.

I have only touched on a few achievements of this distinguished American, but history will record the full and productive career of our friend and respected colleague. In the meantime I want to join her many friends in wishing JULIA BUTLER HANSEN a satisfying and happy retirement period and expressing to her the thanks of the people of the State of New York and an entire nation for the many benefits she has created and inspired during her career in public service and my own personal thanks for her aid, understanding, and friendship.

THE RETIREMENT OF JULIA BUTLER HANSEN

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1974

Mr. NIX. Mr. Speaker, after a career of 37 years of dedicated public service, no one has earned a retirement to private life more than our colleague, JULIA BUTLER HANSEN. We cannot begrudge her the decision to return with her husband to a quieter life in her beloved hometown of Cathlamet, Wash.

Still, it is with great regret that we see her leave the House of Representatives. She will leave a vacuum in the House that will be very difficult to fill. I think any of us would be hard pressed to find a finer example of what a public servant should be.

Mrs. HANSEN's career has included service on her city council and in the Washington State Legislature, as well as in Congress. She has been the first woman to hold a number of important posts. In this House, she was the first woman to be assigned to the Appropriations Committee and the first to hold a subcommittee chairmanship.

In her service in Congress, Mrs. HANSEN has compiled an enviable record of service to her constituents of the Third District of Washington and to the Nation. In her post as chairman of the

Appropriations Subcommittee on the Interior, she has proven to be an outstanding legislative leader. She has worked long and hard for the interests of the American Indian, for natural resources, for the territories, and for the arts and humanities. She has given of her time to foster such enterprises as Ford's Theater, the Woodrow Wilson International Center for Scholars, the bicentennial celebration, and many others.

We on the Democratic side owe Mrs. HANSEN a special debt of gratitude. She has always been active in party affairs, serving for 20 years as chairman of her County Democratic Central Committee. In the House, she has taken on many assignments for the party, including service on the Democratic Steering and Policy Committee. Undoubtedly her most difficult and challenging assignment has been the chairmanship of the Democratic Committee on Organization, Study, and Review. In that post she has implemented a number of important reforms in the way the House operates and has earned, in the process, the respect of her colleagues for her fairness, patience, diligence, and leadership.

Mr. Speaker, it is with sincere regret that we say goodby to JULIA BUTLER HANSEN. I can only add my voice to those of my colleagues in wishing her great success in her retirement and in thanking her for making service in this House a happier and more satisfying experience for all of us.

IN SUPPORT OF S. 1866, TO PROVIDE INCREASES IN PAYMENT OF CERTAIN CIVIL SERVICE RETIREMENT ANNUITIES

HON. WILLIAM H. HUDNUT III

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. HUDNUT. Mr. Speaker, I have supported S. 1866, and am pleased that the House passed this legislation to increase the annuities under the civil service retirement program.

By enacting this measure we are finally correcting an unfair situation that presently exists under the law whereby civil service retirees can be paid an amount less than the minimum social security primary insurance. Since civil service employees are not permitted to participate in the social security program, it seems that simple justice requires that parity with the minimum social security primary insurance be afforded to retired Federal employees.

Presently, approximately 15 percent of the current civil service annuity beneficiaries are receiving less than the minimum social security benefit of \$84.50. We are all aware of how little this sum will buy in terms of food, shelter, clothing, medicine, and transportation.

The passage of S. 1866, will help approximately 80 percent of those presently on the civil service annuity rolls. Federal workers who retired prior to October 20, 1969, receive annuities based on

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earnings during past years of low-salaried employment, which had less liberal benefit levels.

Many are now well advanced in age, and they need more and more services and goods. The flat \$300 yearly increase in the annuity of these retirees, as a one-shot equalization, may appear high since it costs \$2.8 billion. However, the hardship experienced by those of our elderly Federal retirees, who must struggle to make ends meet on low annuities which will buy less and less today and tomorrow as inflation continues, persuades me to state without equivocation that this legislation is not only worthwhile, but it is a must. Therefore, I was pleased to give it my support.

SPONGING NEIGHBORS CHASTISED

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. MILFORD. Mr. Speaker, a resident in my district, Mr. Jim DeShong of Arlington, called my attention to an editorial appearing in the February 22, 1974 edition of the Dallas Morning News.

The editorial sums up some mighty strong feelings of people in Texas who believe that other States can invite oil companies into their cities and towns to build refineries.

Since this is an issue I feel strongly about, and it is one shared by many in my home district, I would urge my colleagues in the Congress to read this.

The editorial follows:

NO FUEL GARDEN: SOME ARE SPONGING OFF THEIR NEIGHBORS
(By Fred Pass)

In rural Texas, the way I remember it, when a farm family made a good garden or killed a hog on the first hard freeze of winter, it shared its plenty with neighboring households.

If some of the neighbors had worked hard trying to produce a food supply, but misfortune had wiped out a crop or a man's ability to produce one, the neighbors would share what they had, and be proud to do it.

But let one or two of those neighbors fritter away time in domino halls or fishing holes and the community would take a different look at the matter. The community wouldn't let the loaders starve, but it had a way of putting them down.

"They're sponging off their neighbors," the people would say. And, next to calling a person a common thief, that was about as low a thing as you could say about somebody.

Since the fuel shortage has become critical, there has been a lot of talk about dividing up gasoline supplies.

Sen. Lowell Weicker of Connecticut promises he will attempt legislatively to establish a national gasoline rationing plan. Florida's Gov. Reubin Askew wants his state's allocation base changed from 1972 to 1973, because 1973 was a year when tourists to the state burned more gasoline, and he wants the tourists to continue coming, burning just as much gasoline.

The policy makers all have about the same solution: Divide the shortage.

It seems to me that those Eastern Seaboard states have been sponging off their neighbors. They haven't even tried to have

their own fuel garden. Now they want their neighbors in Texas, Louisiana and other oil-producing states to share and share alike.

What is unpardonable is that one federal energy bill now pending in Congress would force Texas oil wells to operate at levels that would be wasteful at least, and possibly would destroy many of the wells.

If they had allowed petroleum exploration in their own offshore areas, many Eastern Seaboard states might have enough oil and gas today to take care of their needs and perhaps have enough to send some to Texas.

Geologists have known for a long time that prospects for finding petroleum in the offshore Atlantic continental shelf are good. The U.S. Geological Survey estimates that this shelf contains about 40 billion barrels of oil and more than 200 trillion cubic feet of gas.

This represents four times the estimated reserves in the Prudhoe Bay Field on the North Slope of Alaska, largest field discovered on the North American continent. Such Atlantic reserves would about equal all of the oil that has been produced in Texas to the present time.

Geologists believe that three offshore areas within the shelf hold most of its oil and gas. One is the Georges Bank Basin which lies from 70 to 100 miles from the New England shores, well out of sight of the mainland. Water depth here is 150 to 450 feet.

It lies south of another basin off the Canadian coast, in which oil has been found and exploration is extensive.

Another area, one that has the greatest promise for petroleum reserves, is the Baltimore Canyon Basin, which lies in water depth of 150 to 300 feet, 50 to 100 miles offshore from Pennsylvania, Delaware and Maryland.

The third area is the Blake Plateau Basin offshore from Georgia and Florida. It is in water depth of 2,400 to 3,000 feet and therefore would be difficult and costly to explore.

Oil companies want to explore the Atlantic continental shelf, but environmentalists and Eastern lawmakers have prevented the search, claiming that possible oil spills would damage the water and soil the beaches. The Council of Environmental Quality has been conducting hearings on the issue and expects to complete a study of environmental hazards from Atlantic production in the spring.

Nobody can say for certain that oil would be found there. But as a farmer never has a garden until the seeds are planted, the populous Eastern Seaboard area will never know whether it can produce its own energy until oilmen spend millions of dollars to find out.

Until then, it seems the area will continue to sponge off its neighbors to fill its energy needs.

SUBCOMMITTEE ON CRIME TO REVIEW RECOMMENDATIONS OF SELECT COMMITTEE ON CRIME

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. CONYERS. Mr. Speaker, I am pleased to announce that the Subcommittee on Crime has scheduled a hearing to review the recommendations of the Select Committee on Crime. The hearing will be held on Wednesday, March 13, 1974, at 10 a.m. in 2226 Rayburn House Office Building.

The former chairman of the crime committee, Representative Claude Pepper, will appear before the Subcommi-

EXTENSIONS OF REMARKS

tee on Crime as a witness for the second time in 3 weeks. His first appearance was to present testimony during the subcommittee's fourth hearing on the Community Anticrime Assistance Act.

The hearing will center on the recommendations of the Select Committee on Crime which relate to the responsibilities of the subcommittee including oversight of the Law Enforcement Assistance Administration, street crime, speedy trials, and gun control.

PERCENTAGE GAINS IN BIG BUSINESS PROFITS

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. HOSMER. Mr. Speaker, there has been a lot of oh-ing and ah-ing and tut-tut-ing in the venerable CONGRESSIONAL RECORD lately about business profits in the United States. To listen to some people you would almost come to the conclusion that being in business is unpatriotic and making a profit is a sin.

The Nation's universities and schools could and should do a lot better job on that score. It is private enterprise that made this country great and slipping down the road to socialism and so forth by knocking the institution can unmake it. I recall that, before it took that road, Britain was formerly known as Great Britain. So let the educators of this country take note.

But that is only peripheral to the point I want to make which is to dispute some of my colleagues who have continuously cited percentage profit increases as evidence that the evil forces of private enterprise have had their nefarious hands in the cooky jar.

Fifty-four of America's 100 largest corporations increased their profits in 1973 by over 20 percent. Nine of those topped the previous year's profit by over 100 percent. The list is reproduced below. It includes 14 oil companies. But these figures are meaningless unless something is known about the previous year's profit.

The largest jump was by a company that had a 747 percent increase in 1973 profits over 1972. That was a retail outfit, American Stores. It just happened to have had a lousy year in 1972 and even after its 747 percent increase American Stores was still netting only .7 of a cent on a dollar of sales, which was the worst showing of any company on the list of 100.

Although the oil companies are generally maligned by everyone as unconscionable profiteers, their net income as a percent of sales is somewhat below the average for most other types of business. When the truth is ascertained, their higher percentage profits in 1973 over 1972 are due less to good management than the fact that 1972 was a lousy year for profits in their line of endeavor.

The list of 54 follows:

	Increase in profits—1973 over 1972	Percent
American Stores	747.3	747.3
Occidental Petroleum	665.6	665.6

LTV	464.5
Gulf Oil	306.1
UAL	150.9
Litton Industries	143.9
Weyerhaeuser	120.6
United States Steel	107.5
Republic Steel	101.4
Monsanto	95.2
Boeing	68.4
Georgia-Pacific	66.7
Burlington Industries	65.9
Exxon	59.3
International Paper	55.5
Phillips Petroleum	55.3
Standard Oil (Calif.)	54.2
Bethlehem Steel	53.5
Sun Oil	48.4
Union Oil of Calif.	47.8
Mobil Oil	46.8
Kroger	46.8
Dow Chemical	45.7
Champion International	45.7
Texaco	45.4
Englehard Minerals & Chemicals	43.4
Continental Oil	42.6
Armco Steel	42.1
Union Carbide	42.0
E. I. Du Pont de Nemours	41.5
Esmark	38.5
Atlantic Richfield	38.2
National Steel	37.7
Marcor	37.6
Halliburton	37.0
Deere	36.5
Standard Oil (Ind.)	36.4
Ashland Oil	36.4
W. R. Grace	35.5
Sperry Rand	33.5
Ralston Purina	32.4
International Harvester	30.9
Colgate-Palmolive	28.1
Shell Oil	27.7
Travelers	26.7
Honeywell	26.2
Rapid-American	25.8
TRW	24.9
IBM	23.2
S. S. Kresge	22.1
Minnesota Mining & Mfg.	21.0
Firestone Tire & Rubber	20.8
Rockwell Int'l.	20.5
Xerox	20.4

ANNOUNCEMENT OF HEARING ON NASA'S EQUAL OPPORTUNITY PROGRAM

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. EDWARDS of California. Mr. Speaker, I wish to announce that the Subcommittee on Civil Rights and Constitutional Rights of the House Committee on the Judiciary has scheduled oversight hearings on NASA's equal opportunity program on March 13 and 14 in room 2237 Rayburn House Office Building at 10 a.m. Recent events have focused attention upon the Agency's equal opportunity commitment, and NASA's equal opportunity record will be reviewed in conjunction with responsibilities of both the Office of Federal Contract Compliance of the Department of Labor and the Office of Federal Equal Employment Opportunity of the Civil Service Commission.

Testifying before the subcommittee in addition to NASA officials will be representatives from such leading civil rights and labor organizations as the Leadership

Conference on Civil Rights, the National Organization of Women, RAZA Association of Spanish Surnamed Americans—RASSA, the American Federation of Government Employees, and Government Employees United Against Racial Discrimination—GUARD.

Testimony from the Office of Federal Contract Compliance and the Civil Service Commission will be heard at a later date in April. Written statements for the record will also be received from the Federally Employed Women—FEW, the Federal Organization of Professional Women—FOPW, and the Urban League.

Persons wishing to submit statements for the record should address their request to House Judiciary Committee, 2137 Rayburn House Office Building, Washington, D.C. 20515.

REVISED LIST OF BLACK ORGANIZATIONS THAT ENDORSE THE EFFORT TO REPEAL THE BYRD AMENDMENT

HON. CHARLES C. DIGGS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. DIGGS. Mr. Speaker, on Wednesday, February 27, I convened a press conference for the purpose of bringing to public attention the united determination of the black community that the Byrd amendment be repealed, thus enabling the United States to observe the United Nations embargo against Southern Rhodesia. With me in that effort were Congressman CHARLES RANGEL of New York, chairman of the Congressional Black Caucus; Congressman LOUIS STOKES of Ohio, former chairman of the caucus; Congressman PARREN MITCHELL of Maryland, and Congresswoman SHIRLEY CHISHOLM of New York.

Our call for the press conference occasioned many expressions of support for our effort. Below are listed the black organizations which endorsed this effort:

Afram Associates, Inc.
African Liberation Support Committee
Africare
African National Council
American Library Association Black Caucus
Associated Master Barbers & Beauticians of America
Black Affairs Center
Black American Law Students Association
Black Presbyterians United
Black Umoja Society, Inc., Dayton, Ohio
Black United Front
Bowie State College Alumni Association
Commission for Racial Justice of the United Church of Christ
Congress of African People
Congressional Black Caucus
Delta Sigma Theta Sorority
Federation of Masons of the World
IFCO "Action"
Independent Funeral Directors Association
Joint Center for Political Studies
National Alliance of Postal & Federal Employees
N.A.A.C.P.
National Association of Black Social Workers
National Association of Colored Women's Clubs

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National Black Sisters Conference
National Conference of Black Lawyers
National Conference of Black Political Scientists
National Council of Negro Women
National Dental Association
National Newspaper Publishers Association
National Office for Black Catholics
National Sharecroppers Fund
National Student Lobby Black Caucus
National Tenants Organization
National Welfare Rights Organization
Operation PUSH
Pan-African Liberation Committee
Phi Beta Sigma
R.A.I.N.S. (Relief for Africans in Need in the Sahel)
Southern Cooperative Development Fund
Strategy Workshop
Washington Task Force on Africa
Youth Organization for Black Unity (Y.O.B.U.)
Zeta Phi Beta Sorority
Zimbabwe African National Union (ZANU)

The following individuals were among those present at the meeting:

The following individuals were present at the press conference called to express the determination of the united black community that the United Nations embargo against Southern Rhodesia shall be observed in respect to Chrome and other "strategic" materials:

Goldie A. Baldwin, Executive Secretary, Zeta Phi Beta Sorority.
Geraldine L. Ballard, President, Associated Master Barbers & Beauticians of America.
Canaan Banana, African National Council.
Terry M. Banks, Esq., Washington, D.C.
Paul Brock, Minority Affairs Division, Democratic National Committee.
Juanita Brown, National Association of Colored Women's Clubs.
Ronald Brown, Washington Bureau of the National Urban League, Inc.
Walter Carrington, Vice President, African American Institute.
Jay Chunn, Vice President, National Association of Black Social Workers.
Delores Crawford, Afram Associates, Inc.
Joseph M. Davis, National Office for Black Catholics.
Jeff R. Donaldson, Executive Director, North American Zone, Second World Black and African Festival of Arts and Culture.
Ofield Dukes, Ofield Duke & Associates.
Willie Edwards, Chairman of the Board, National Student Lobby.
H. Albion Ferrell, Frontiers International.
Frances M. Flippin, Deputy Director, Delta Sigma Theta Sorority.
Gilbert H. Francis, Phi Beta Sigma Fraternity.
Chaipachai Gwishi, Zimbabwe African National Union (ZANU).
Cheo Hekina, Congress of African People.
Lenox Hinds, National Director, National Conference of Black Lawyers.
Ermon Hogan, National Council of Negro Women.
Jean Holliday, Morgan Community School.
G. C. Horne, National Conference of Black Lawyers.
Leon Hunter, Afram Associates.
Maurice Jackson, D.C. Anti-Imperialist Committee on Solidarity with Africa.
Dr. Elgy Johnson, Acting President, Federal City College.
Rev. A. M. Jones, Temple of the Black Messiah, Inc.
William T. Jones, Jr., D.C. Black Assembly of the National Black Assembly.
Cedric Joubert, Black American Law Students Association, Inc.
Owusu Kambon, African Liberation Support Committee.
Mae C. King, National Conference of Black Political Scientists.
H. E. Clinton Knox, former U.S. Ambassador to Haiti.

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Hugh W. Lane, Executive Director, National Scholarship Service and Fund for Negro Students (NSSFNS).

Dr. James R. Lawson, President, Fisk University.

The presence at the meeting of members of the African Diplomatic Corps mirrored their strong interest in the outcome of our deliberations:

John Lewis, Washington, Afro-American.
C. Payne Lucas, President, Africare.
Melvin McCaw, Director, Washington Office, African-American Institute.

Rev. Wayne McCoy, Armisted Alliance.
Genna Rae McNeil, Africa Information Service, New York.

Jesse Jai McNeil, Zeta Phi Beta Sorority.
Dan Matthews, Washington Task Force on Africa.

Joyce Mortimer, Washington, D.C.
Sibyl Moses, Washington Representative, National Association of Colored Women's Clubs.

Hisani Mweusi, African Liberation Support Committee.

Sterling Owens, Chapman Data Service, Los Angeles, California.

Yvonne Price, Washington Office, N.A.A.C.P.
J. Fletcher Robinson, Sixth Pan-African Congress.

Leona Sanders, National Student Lobby Black Caucus.

Florence Tate, Black Umoja Society, Inc., Dayton, Ohio.

Edward Thompson, American Savings and Loan League.

John C. Twitty, U.S.I.A.
Vincent Vera, Washington, D.C.

Gilpin Walker, Fairmont Block Club, Washington, D.C.

Ronald Walters, Department of Political Science, Howard University, Washington, D.C.

Harvey Webb, Jr., Chairman of the Board, National Dental Association.

Preston Wilcox, Afram Associates.

John A. Wilson, National Sharecroppers Fund.

Lesile Yates, Washington Office, American Committee on Africa.

Eugene Young, Leadership Training Systems.

Joy Zollner, African American Institute.

Members of the Congressional Black Caucus present at the Press Conference:

Congressman Charles Rangel (NY), Chairman of the Caucus.

Congressman Louis Stokes (Ohio), former Chairman of the Caucus.

Congressman Parren Mitchell (MD).

Congresswoman Shirley Chisholm (NY).

The following members of the Diplomatic Corps were present:

The Ambassadors of: Liberia, Swaziland, Lesotho, Kenya, Senegal, Nigeria, Tanzania.

Representatives of the Embassies of: Botswana, Burundi, Cameroon, Central African Republic, Dahomey, Niger, Sierra Leone, Somalia, Sudan, Togo, Uganda, Zambia.

I would like to add, for the kind consideration of my colleagues, some of the messages of support we have received.

STATEMENT OF ELGY S. JOHNSON, ACTING PRESIDENT, FEDERAL CITY COLLEGE, ON PROPOSED REPEAL OF THE "BYRD AMENDMENT," FEBRUARY 27, 1974

The Byrd amendment, under which the United States defies a United Nations resolution by purchasing chrome from the blatantly racist regime of Rhodesia, not only harms the well-being and the souls of black people everywhere, but is also damaging to the best interests of the United States. As a country with serious commitments to peace and international order, the United States has an abiding interest in promoting and supporting the United Nations. We have recently seen how the UN, in spite of its inadequacies and failures, was able to step in with a peacekeeping force in the Middle East.

Yet, in spite of the millions of dollars we invest yearly in the operation of the UN and the obvious good work it does, in spite of the UN's desperate need for great-power support and the promotion of a true supranational spirit, our government affronts the UN with this racist amendment that supports a racist regime and insults every non-white person in the world.

Is the easy availability of chrome more important than the strength and effectiveness of the UN? Can the United States realistically hope for international law and order when it chooses the laws it will and will not honor? With the Byrd amendment, we teach the world not respect for the rule of international law but only the extent of our own hypocrisy.

STATEMENT OF ELGY S. JOHNSON, FCC

And what underlies this hypocrisy? Not strategic considerations, not the scarcity of chrome, but racism. Again and again, the United States has supported international law, even to the point of taking up arms, when the target was a non-white nation or government. Again and again, we have flouted international law and helped other regimes do so, when they were white.

The Byrd amendment, which contravenes a legal sanction established by the United Nations against trade with the outlaw white racist regime of Rhodesia and which all members of the UN are obliged to obey, is another example of the brute force of racism made legitimate by an act of Congress. While young black men were fighting and dying for this country, supposedly to enforce an international convention on Vietnam, Congress permitted the transfer of \$30 million to the Smith regime, one of the worst oppressors of black people in the world.

This blatant injustice can no longer be tolerated. It is up to all black people in America to take effective action now to win nullification of this infamous amendment. And it is up to all Americans who place importance on our founding principles to join in the effort to wipe the Byrd amendment from the books and restore the nation's respect for human rights and international order.

FEDERATION OF

MASONS OF THE WORLD,
Austin, Tex., February 22, 1974.

HON. CHARLES C. DIGGS, JR.,
Congress of the United States,
House of Representatives,
Washington, D.C.

DEAR HONORABLE DIGGS: The Federation of Masons of the World, Inc. has a membership of 300,000 and we support the efforts for the repeal of the Byrd Amendment by urging the passage of the similar House legislation as passed by Senate Bill 1868.

Fraternal,

M. J. ANDERSON, President.

Bowie State College National Alumni Association and 3,500 alumni strongly oppose Byrd amendment and urge immediate repeal.

GLADYS IRVIN,
National President.

HON. CHARLES DIGGS, JR.,
The U.S. House of Representatives,
Washington, D.C.

The faculty of the Department of Political Science at Tuskegee Institute has asked me to thank you for introducing H.R. 8005 to reinstate U.S. compliance with sanctions against Rhodesia. We hope and pray that all your endeavors to guide the passage of this bill will be fruitful.

CORNELIUS EJIMOFOR, Ph. D.,
Associate Professor and Head Political
Science Department.

I heartily support, however, your efforts on the successful repeal of the Byrd Amendment, and will be doing all I can in Dayton to lend support to you.

DR. ARTHUR E. THOMAS.

EXTENSIONS OF REMARKS

Please be assured that the Division of Church and Society of the National Council of Churches strongly supports the repeal of the Byrd amendment.

LUCIUS WALKER, JR.,
Associate General Secretary, National
Council of Churches.

Rains board joins Representative Diggs and black leadership call for repealing Byrd amendment. U.S. Sahel efforts cannot be trade-off for retrograde Southern Africa policy. Rains implores Congress and U.S. Government cease immediately all Rhodesian trade and take bold measure to end suffering and oppression in southern and drought affected Africa.

Herschelle Challenor, Anne Douglas and Inez Reid, Elliott Skinner, Lucius Walker, Joy Zollner.

TRIBUTE TO HOWARD MILLER

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

MR. ROYBAL. Mr. Speaker, for more than 14 years, Howard Miller has been instrumental in encouraging the support and concern of local citizens for our men and women in the military service. His latest accomplishment is reflected in the warmly hospitable new center for service personnel in Hollywood—the Bob Hope USO Club. With the assistance of USO volunteers, Howard spearheaded the difficult project to completion. It now stands as the first building USO-Los Angeles area has owned in its 33 years of service to our community. His efforts in providing varied, meaningful services for our military quests is unending. But he has not limited his time and talents to one organization. His name has long been associated in our community with service projects projecting broad and progressive goals.

In recognition of Howard's many years of dedicated community service, the United Service Organization, Inc., has asked me to insert the following biographical sketch into the RECORD:

HOWARD MILLER

Howard Miller is a native of Butte, Montana. He attended the University of Southern California and was elected Phi Beta Kappa. After graduation, he spent two years studying and working in the theatre abroad where he was associated with Andre Bay in Paris and with Max Reinhardt in his production of "A Midsummer Night's Dream" in Florence, Italy.

Following his return to the United States, he became Deputy National Director of the Federal Theatre Project under WPA and held this position until the project was abolished by Act of Congress.

He spent many additional years in the employment of the federal government, his last position being National Administrative Officer of the Food Price Division of the Office of Price Administration.

Following World War II he was Director of Personnel and Industrial Relations for the International Milling Company of Minneapolis. On his return to California, he became Executive Director of the Certified Contractor's Association and for the past 14 years has been Executive Director of the USO-Los Angeles Area Council.

Active in many community affairs, he was, for 8 years, President of the Los Angeles Concert Association. As President, he instituted a program whereby members could enjoy and cultivate their classical music tastes at little

financial cost to them. Currently, he is a Board member of the American Youth Symphony. This organization concentrates on providing opportunities for the development of talented, youthful musicians. He is also an active Board member with the East-West Players, a group dedicated toward creating a better understanding and cooperation for members of both communities through the performing arts.

Long an advocate of the United Way philosophy, Howard has actively participated in the Public Information Committee of Region V. In addition, he continually serves as a voice of inspiration and experience for many other non-profit agencies that call on him for counsel.

His interest in the problems of minorities and the economically disadvantaged is well known. He is a founding member of the Inter-racial Council for Business Opportunity; serves on the Advisory Board of Direction Sports, Inc. and is a member of the Community Relations Council of the Los Angeles Job Corps Training Center for Women.

Howard's interest in local civic affairs is highlighted by his participation on Councilman Stevenson's Hollywood Plan Implementation Committee. He is also involved as a member of the Hollywood Chamber of Commerce and the Rotary Club of Hollywood.

FORMER MANAGER CALLS FOR NIXON TO STEP DOWN

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

MR. LEGGETT. Mr. Speaker, over the years no one has worked longer and harder for Richard Nixon in his home State of California than has Herbert M. Baus. Mr. Baus, a founding partner of Baus and Ross, the political management firm that ran Mr. Nixon's successful 1960 California Presidential campaign, is a Nixon man from beginning to end.

Apparently it is because of, rather than in spite of, his personal loyalty that he now feels it to be in the best interests of the Nation, of the Republican Party, and of Mr. Nixon himself that the President resign. Mr. Baus has expressed his views in a provocative and articulate open letter to Mr. Nixon, which has been reproduced in my hometown newspaper, the Vallejo Times-Herald of February 27, 1974.

I do not agree with all of Mr. Baus' reasoning. But he makes his points with exceptional clarity and unusual insight, and I would like to share his letter with my colleagues by inserting it in the RECORD at this point.

Memo to: Richard Nixon, The White House.
From: Herbert M. Baus, Palm Springs.

As one who supported and rooted for you in every race you've run—and worked for and advised you in many—I suggest the time has come for you to bow out. This is not only the best but now the only way for you to achieve the greatness that has been your constant goal.

Abraham Lincoln started the Republican tradition as its first President. He sustained a nation ruptured by Civil War, serving as a symbol of honor and straightforwardness.

You still have a choice: Whether to depart the scene with honor or to end the Republican tradition as its last elected President, rupturing a nation that has weathered two centuries of storm and strife by seeking to save your job at the cost of becoming a sym-

bol of moral turpitude and duplicity in high office.

Your innocence or guilt is no longer the paramount issue of the unfolding drama that has become the crucial event of your life.

The paramount issue has become whether the country will be ripped apart by your impeachment for a colony of crimes that have become linked to your office—or whether you will go away quietly.

Given the sorry circumstances, my advice—and I speak as an old ally—is that you should resign, for the good of yourself, your party and your country. Let me take them in order:

Yourself. You cannot live with this thing, and you cannot live without it—for it is with and of you 24 hours every day. It will erode your health, your mind, your soul.

Your Party. With a little more Watergate, forget it. Sen. Barry Goldwater, R-Ariz., finds a decisive 10 per cent drop in party support. Vice President Ford's old seat, a Republican sinecure since 1910, fell to a Democrat who had lost all previous elections, but called this one a Watergate referendum and demanded your resignation. Pennsylvania's 12th district, Republican for 25 years, also went down the drain. In the wake of all this, most California Republican gubernatorial hopefuls have run for cover, including your confidant, Robert Finch, because they have been "too close to Nixon." Clearly, with a little more Watergate the GOP could shrivel up, never to see a renaissance.

Your Country. Because of this cancer, you cannot concentrate and you cannot lead. The energy crisis, mounting inflation, a roller-coaster stock market and a world full of countries waiting for the United States to falter—all these could explode from the heat of the Watergate crisis, compounded by its paralysis of the presidency.

I remember with admiration the political miracles of your brilliant career—an underdog repeatedly triumphant. I remember how, in 1946, you emerged from nowhere to unseat a popular congressman, Jerry Voorhis, and, only four years later, trimmed a politically puissant congresswoman, Helen Gahagan Douglas, for a Senate seat. Then Eisenhower made you his running mate. After you narrowly missed the presidency in 1960, I remember how in 1962 you hit bottom when Pat Brown upended your gubernatorial bandwagon, but in 1968 you came roaring back to win the big prize, parlaying that into the huge landslide of 1972.

How did you do it? By fight and drive and grit—and by being "Mr. Republican" all those years. You were everywhere raising money and stumping for GOP congressional, senatorial, gubernatorial and other aspirants. "No man could have done more effective work than you—to return a Republican majority to Congress," Ike said in 1954.

All through the years, you've said—and done—what was right. Surely you remember the Congressman Nixon of 1950 saying, "It's time to quit pussyfooting on the issues. I want the people to know where I stand."

The courageous thing to do now is, above all, to save your country. At last take your people off the spot. Anybody can bring the temple down with him but it takes a hero to go down alone to save the temple.

A massive conspiracy done in your name gives the House no choice but to impeach. Only you can avert a national trauma—by resigning. In this fashion you can resolve your seventh and supreme crisis, and turn your great charge over to a vice president who would assume your office with clean hands and a clear head.

Thus, Richard Nixon, could you win your ultimate victory by triumphing over yourself? In your resignation speech, you might adapt some lines from the 17th-century English poet Richard Lovelace:

I could not love this post so much.
Loved I not honor more.

CITIZEN'S RESOLUTION CALLS FOR BREAKUP OF BIG OIL MONOPOLIES AND ENERGY POLICY REFORMS

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. EVINS of Tennessee. Mr. Speaker, an estimated 1,500 residents of the Tennessee Valley met in Fayetteville, Tenn., on February 15, 1974, in an effort to promote reforms in the Nation's energy policies.

I was pleased to attend the rally along with other Members of Congress, including Senator HENRY JACKSON, Senator JOHN SPARKMAN, Representative ROBERT E. JONES, and Representative FRANK STUBBLEFIELD. Also attending the rally were numerous State legislators, mayors, and county judges from throughout the area.

The Tennessee Valley residents attending the rally approved a resolution calling for reforms in the Nation's energy policies, including the breaking up of the big oil monopolies.

The Herald Chronicle of Winchester, Tenn., in a recent article described events leading to approval of the resolution and reprints the resolution itself in full.

Because of the interest of my colleagues and the American people in this most important matter, I place the article in the RECORD herewith.

The article follows:

RESOLUTION SPELLS OUT ENERGY CRISIS

The Citizens Energy Committee, which organized last Friday's Tennessee Valleywide energy crisis rally in Fayetteville, has been authorized to spark a broadbased campaign toward national energy reform.

Citizens from throughout the valley gave loud approval to a resolution spelling out action on the energy front.

It lists several goals for work by the Energy Committee, formed jointly by the Elk River and Upper Duck River Development Associations.

These range from a call for a Tennessee Valley Authority type agency that would establish a "yardstick" for oil production to a request that the Federal Trade Commission prosecute vigorously its antitrust complaint against eight major oil companies.

It further calls on TVA to uphold its role as a public power "yardstick" agency and for the government not to "hand over to big syndicates" its nuclear production processes.

The resolution was prepared by a special resolutions committee made up of Morris L. Simon, publisher of The Tullahoma News, Joe Sir, Fayetteville merchant who presided at the rally, James Record, Huntsville, chairman of the meeting steering committee, and Maynard Layman, assistant publisher of the Decatur (Ala.) Daily.

Roy Tipps, Winchester, the Franklin County register of deeds and long-time ERDA official, read the resolution at the close of the session.

Here is the resolution text:

"The welfare of citizens of the Tennessee Valley and the nation is being threatened by shortages of energy supplies—oil, natural gas and coal—and abnormal price increases.

"What has occurred and is taking place gives cause for the American people to be concerned about activities both of Federal agencies and multi-national oil companies—activities which appear to be detrimental to the welfare of our people.

"While the many endure tribulations

brought on by shortages and higher prices, a handful of oil companies enjoy huge increases in their profits; a paradox for which the people deserve an explanation.

"Our people have demonstrated they are prepared to sacrifice during this energy crisis, but they should not have to tolerate suffering caused from the desire of anyone to reap bigger profits.

"And the people are rightfully indignant at any forces which would erode the American economy for selfish benefit during an emergency when all should be willing to sacrifice.

"Our people are excited, confused, perplexed, disconcerted and demoralized by dire predictions and warnings from both the oil industry and government energy officials.

"The time is upon us to seek answers, to oppose bureaucratic and monopolistic practices and to right wrongs and abuses.

"To that end, concerned citizens of the Tennessee Valley are assembled in Fayetteville, Tennessee, upon the call of the Citizens Energy Committee, to launch an effort leading to determination of the full extent of the crisis and to advocate measures which may alleviate conditions that are destructive to the welfare of the nation.

"Now therefore:

"Be it resolved, that the Citizens Energy Committee call on the Congress and other agencies of the government to take appropriate action:

"To obtain the facts on all phases of oil industry's activities and any related governmental activities.

"To investigate whether control of major portions of the coal resources by a few giant energy conglomerates are responsible for inappropriate price increases and sporadic shortages, which have been cited by the Tennessee Valley Authority as factors in the rising cost of TVA power.

"To call upon the TVA to hold fast to its historic mandate for establishing a "yardstick" for electric power production.

"To initiate a "yardstick" for gas and oil production, giving consideration to a TVA-type agency which would establish costs by exploration and production on public lands.

"To make sure that the government does not hand over to big syndicates nuclear production processes for which the government has invested hundreds of millions of dollars—and which—could guarantee us lower power rates a decade from now.

"To compel antitrust actions in all cases where evidence appears of monopolistic practices.

"To guard the public interest by making sure that Federal Trade Commission prosecutes vigorously its antitrust complaint against eight major oil firms until justice is served.

"To consider whether the people's interests are adversely affected when a single oil company controls petroleum from the oil well to the gasoline station—production, refining, transportation and marketing.

"To require that the oil companies pay their fair share of taxes.

"Be it resolved, that the Citizens Energy Committee actively and vigorously support all efforts to identify and develop alternate energy sources.

"Be it resolved, that the committee support all efforts for conservation of fuel and seek to enlist the full cooperation of all citizens.

"Be it resolved, that the Citizens Energy Committee support reasonable measures to protect our environment.

"Be it resolved, that the Citizens Energy Committee urge citizens in other areas of the nation to organize groups with similar objectives.

"Be it further resolved, that this assembly direct the Citizens Energy Committee to make known these petitions and determinations to the President, the Congress, the Federal Trade Commission, the Federal Power

Commission and any other appropriate officials and agencies.

"Be it further resolved, that the Citizens Energy Committee take whatever other steps it deems proper to effectuate this resolution."

IS NO ONE LEFT TO PLAY TAPS?

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. SEBELIUS. Mr. Speaker, I have been worried for some time that in trying to find answers to our country's many and varied problems, we have been traveling down an ill-advised road to more and more big Government. As a result the American people have been paying more, enjoying it less, and we are still confronted with the same basic problems.

I submit to my colleagues in the Congress that big Government, along with punitive and arbitrary Government regulations, does not answer problems, it creates them. In this regard, Dr. Eugene C. Jarus of Ellsworth, Kans., recently wrote a letter to the editor of the Salina Journal that I think merits the attention of my colleagues. I submit this article because it contains food for thought to those who claim "government" is a source of money, jobs, goods, services, and just recently even fuel and energy:

[From the Salina (Kans.) Journal]

IS NO ONE LEFT TO PLAY TAPS?

Sir: It is unfortunate that there are no senators or representatives left in the United States Congress to play taps for the free enterprise system. It is not my purpose to blame the Arabs, Israelis, government or the oil industry for the so-called energy crisis, but it is readily apparent from the line of questioning of last week's Senate investigating committee that the oil industry will be hung with the blame.

Before this drama comes to its final conclusion it will be amazing if the oil industry does not end up with such stringent federal controls as to render them ineffective in the future; thus another step will be taken by the government in its long march to end our free enterprise system.

There are the Nader types who claim this is progress, but it is in reality a march to slavery. My ancestors came to this country lured by the benefits of freedom and reward offered under the free enterprise system. This is the system which has made our country the greatest on earth. We never receive anything for nothing and we must pay a price for every benefit we gain. When the unproductive government is involved this price we pay is part of our freedom because we as slaves must support our government master as well as ourselves.

My profession and the medical profession will soon be lured into the governmental orbit by such plans as the experimental Health Maintenance Organization. We won't call the plan socialized medicine because of the sad experience with these plans in other countries. The word is too unpalatable here. But it will evolve into the same end product.

According to the January 21st issue of U.S. News & World Report the biggest objection to these pilot plans is that this treatment is too impersonal, that you may see a different doctor every time you use the organization's services. Now the bureaucrats didn't think you'd mind surrendering the freedom of

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choice over who treats you as long as the government was sponsoring the program.

Who is going to get to pay for these governmentally enforced programs? You can bet the employer is going to get to pay more than his fair share. This will be in addition to an already oppressive Social Security tax that will soon rival your income tax in magnitude and will force more employers into bankruptcy.

This is the same Social Security system, incidentally, that started quite innocently in the 30's and has since grown into a Goliath. In either event, as the government intervenes more completely in our lives, the free enterprise system's coffin lid will be more tightly closed.

There are those in my profession and everyone else's profession, business or trade, who will rush to the trough to get their share of the government pie not realizing that they are selling their souls to the gluttonous gobbling government store.

Perhaps we can all celebrate our country's bi-centennial by asking our corner commissioner if we can go to the store to receive our tube of tooth paste. Now we aren't going to call our brand of socialism communism; we're too refined for that. But in it's ultimate evolutionary process will it be any different? Is there no one left to play taps?

EUGENE C. JARUS, D.D.S.

DANGERS OF EXTREMISM

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. DERWINSKI. Mr. Speaker, an editorial by Chicago's WGN Radio and TV, carried on their February 25 broadcast, is a very practical outlook on the temptation to overreact to the critical problems of the day.

The editorial speaks for itself. I feel that it is a very effective commentary on the present movement that is felt in the Congress.

The editorial follows:

DANGERS OF EXTREMISM

There is the temptation, when facing an extremely critical situation, to propose an equally radical solution. There is an often-easy acceptance of radical response when frustration appears to be unending. Extreme solutions can, however, make matters worse rather than better.

This country is faced with two economic extremes, pressure from the opposite ends of inflation and recession, operating at the same time. On the energy front, the solutions offered are as extreme, at their outside, as are the differences between recession and inflation. At one end of the scale, one can imagine socialization or nationalization of the petroleum industry, on whole, from the well to your car's gas tank, or at any place along the way. At the other extreme, there is full, uncontrolled laissez-faire for the petroleum industry, letting the oil companies do whatever they claim they must to overcome the present shortages of gasoline, heating oil and other products. Neither extreme, of course, offers any assurance of a real solution.

Just as we must guard against accepting extreme solutions, we must be wary of extremism in our political life. Should our present economic and energy discomforts be still further aggravated over the next two years, this nation might be susceptible to a presidential candidate or party platform which smacks of deliverance at the hands of a shining knight on a white horse.

We feel, very sincerely, that extremism can breed extremism. If we move to one of the economic extremes, or if we accept one of the extreme solutions possible in the oil shortage . . . we might be only too willing and only too frustrated . . . to accept political extreme . . . and with it, the loss of democracy and personal liberty.

BIG LABOR FINANCING CERTAIN POLITICAL CANDIDATES

HON. EDWIN D. ESHLEMAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. ESHLEMAN. Mr. Speaker, an article appeared recently in U.S. News & World Report concerning the major financial effort by big labor this year to bankroll certain political candidates.

At a time when we are all faced with questions about the harmful effects of big money in congressional races, I believe this article should be interesting for all my colleagues:

UNIONS' "BIGGEST DRIVE EVER" FOR OUSTING REPUBLICANS

BAL HARBOUR, Fla.—Organized labor's 1974 political drive—aimed at forcing President Nixon out of office and getting more Democrats elected to Congress next autumn—is shaping up as one of the biggest and most ambitious ever attempted by unions.

That is the consensus among top union officials here for the annual meeting of the AFL-CIO executive council February 18-28.

The political strategy, already in motion, will move along side by side with labor's efforts to win extra-large pay boosts this year. The executive council on February 21 declared that workers are entitled to wage increases in 1974 that would match the rise in living costs and gains in productivity. Council economic experts say this adds up to pay boosts of about 12 per cent.

WAYS AND MEANS

Sparking the political maneuvering are the national staffs of the big labor federation and separate committees of many unions both inside and outside the AFL-CIO.

Explanations of how these groups will campaign were given by labor insiders in talks with members of the staff of "U.S. News & World Report."

Cash contributions from union members, to be passed along to favored candidates, will exceed those for previous years, officials predict, on the basis of early collections.

Campaign literature will flow out in huge quantities. The flood has started, with distribution of 4 million leaflets calling for the resignation or impeachment of Mr. Nixon.

Although use of union dues to back particular candidates is illegal, money can be spent for moves such as leaflet distribution that are described as "educational efforts."

Manpower supplied by unions to aid candidates, leaders say, will be far greater than ever before. In a new move, thousands of rank-and-file members are being trained in political techniques to augment the regular union staffers.

The vote-getting drive this time will be aimed beyond the union membership to the general public.

The AFL-CIO has four major goals for this year's political efforts.

1. Impeach or force the resignation of Mr. Nixon.

2. Elect enough friendly candidates to Congress to guarantee that any presidential veto of legislation can be overridden by the required two-thirds vote.

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3. End all wage and price controls by April 30, when the present Economic Stabilization Act expires.

4. Push through the present Congress various pro-labor measures that were blocked last year.

To accomplish that program, George Meany, AFL-CIO president, and the council are reorganizing their national and regional staffs. City and State AFL-CIO councils are to get more assistance from Washington headquarters on political matters.

SIGNS OF SUCCESS

Union leaders talk of "the start of a Democratic landslide" when they discuss recent special congressional elections in Pennsylvania and Michigan, where the Democratic nominees captured normally Republican seats.

Several political directors of AFL-CIO affiliates said these victories indicate that labor must expand its 1974 efforts in congressional races. Chief "target" districts have been those where the incumbent Congressman won with 55 per cent of the vote or less in 1972. These are considered the "marginal" districts, easiest to capture.

"We're raising our sights," said an official of one union. "There's obviously a better chance now to knock off many more Republicans. The early special elections—especially the one in Michigan—proved that."

Robert Gibson, secretary-treasurer of the Illinois AFL-CIO, put it this way:

"A couple of weeks ago, I'd have said the Democrats stood to gain only one seat in my State. Now, after the Michigan election, every Republican Congressman is in danger.

"At a minimum, we'll gain four Illinois seats in Congress. The only requirement is that Democrats quit fighting each other after the primaries and mount positive campaigns."

The upset victory of Democrat Richard Vander Veen in Vice President Gerald Ford's former district in Michigan came with strong labor support.

AFL-CIO unions also saw a union victory in an earlier Pennsylvania special congressional election, despite the thinness of the victory margin of the Democratic nominee.

Albert J. Zack, AFL-CIO's official spokesman, said the Republican vote in Pennsylvania's election ran 18 per cent behind, and in Michigan, 19 per cent behind that of 1972.

Mr. Zack reported that the goal for the November election set by AFL-CIO's Committee on Political Education (COPE) "is a net gain of seven friends in the Senate and 23 in the House." That, he said, would insure the "vetoproof" Congress the AFL-CIO is seeking.

At COPE planning sessions here, the political directors of affiliated unions were advised repeatedly to emphasize economic problems in their campaigns. Unemployment, the rising cost of living, higher interest rates and similar "gut" issues are to be stressed.

ONE LABOR RESPONSE

Union leaders said they are encouraged by results of a poll taken by the Machinists Union among its 900,000 members in the U.S.

Forty-nine per cent of those responding said President Nixon "should resign for the good of the country." In addition, 23.2 per cent voted "Yes" on a question as to whether "Congress should move to impeach the President so the Senate can conduct a trial."

BACKING CANDIDATES

Several unions say their efforts this year will put more emphasis on appeals to the general public than in past years, when efforts were aimed chiefly at union members.

"Our money and manpower are better spent," one strategist said. "In beefing up the campaign capabilities of candidates rather

than printing endorsement lists to give to our own people."

The strategy of the Communications Workers of America, for example, is taking that line. CWA, which represents telephone-industry employees in the majority of States, will conduct its most ambitious political-action drive this year, officials said. It will be directed at voters generally.

About 50 congressional districts are to be CWA targets. Aside from some \$500,000 it hopes to raise from its members for contributions to candidates, this union will supply candidates with telephone "banks" manned by its trained telephone workers.

OTHER RECRUITERS

Also going in heavily for rank-and-file political volunteers is the State, County and Municipal Employees Union. That organization is training about 1,000 political experts in more than 20 States for the upcoming campaigns, according to William B. Welsh, who heads the union's political and legislative activities.

Jerry Wurf, president of this public-employee union, reported that the early response from members indicates that a big-scale political campaign will be waged this year by labor.

"People are scared," Mr. Wurf said. "They feel strongly that this nation is in very serious trouble domestically and internationally."

Members of the Machinists Union also are showing great interest in the 1974 campaign, with heavy early contributions. So reported William J. Holayter, director of the Machinists Non-Partisan Political League. Officials expect that voluntary contributions will surpass the Machinists' 1971 record high of \$590,000.

The Painters Union also expects "to put out our greatest effort ever in this year's campaign," according to its president, S. Frank Raftery.

Another AFL-CIO group that is beefing up its political crews is the American Federation of Teachers. The union hopes to raise as much as \$750,000 in New York State for contributions to congressional and legislative campaigns.

JULIA BUTLER HANSEN

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1974

Mr. MATHIS of Georgia. Mr. Speaker, I rise to join with all my colleagues in expressing my deep regrets upon learning of the decision by the gentlelady from Washington not to return to the 94th Congress. It goes without saying that

JULIA BUTLER HANSEN will be missed. Any Member of this body who retires after 16 years of service here will be missed, but this unique lady will be missed more than most. There is no doubt that this Nation is richer for her service, especially as a result of her chairmanship of the Interior Appropriations Subcommittee, where she has displayed her intelligence, legislative skill, devotion and dedication.

I extend to this lovely lady every good wish for her retirement years, and I extend sentiments of "good luck" to her successor, whomever that might be. The person who is elected to serve from the Third District of Washington will be following an extremely tough act.

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NEW POSTAL SERVICE BEGINNING TO SHOW IMPROVEMENT

HON. DAVID N. HENDERSON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. HENDERSON. Mr. Speaker, as Americans know, over the weekend postal rates went up again. While nobody, myself included, enjoys paying more to mail a letter, I think that it is important that more of the Postal Service be looked at—both in light of our overall economy and the mandate which the Congress gave the Postal Service less than 3 years ago in the Postal Reorganization Act.

Over the past few decades, all prices have taken off. In 1934, for example, center cut pork chops were selling for 17 cents a pound in Omaha; today \$1.99 is not out of the ordinary. Meat and every other commodity has gone up as well as labor costs—which incidentally account for about 85 percent of the Postal Service's operating costs. I believe that, while nobody wants to pay any more than they have to—for a stamp or anything else—people do understand that rising prices have been a fact of life in recent times. Is it any wonder then that postal costs and postal rates, like other things, have risen?

Despite these cost increases, the Postal Service made a conscious effort to control costs and avoid raising postal rates. I believe they have been partially successful in this since, although the costs of many products, services, and salaries have literally skyrocketed lately, this is the first general postal rate increase in nearly 3 years. In fact, a rate increase planned for January 1973 was deferred until now.

In the area of service, the Postal Service has been meeting and bettering its service standards consistently. By Christmas Eve 1973, all post offices reported they were clear of mail and it was, mail-wise, the best Christmas ever—despite the obvious problems created by the energy crisis. For example, with each 1 cent increase in the price of a gallon of fuel, the Postal Service's annual costs are increased by more than \$1 million. These costs, coupled with a general unavailability of fuel and a curtailment by the airlines of key, mail-carrying flights, have made the Postal Service's job doubly difficult.

Certainly it is possible to point to isolated instances of mail delay and mis-handling, just as it is possible to sit down with one's daily newspaper and pick out typographical errors, but these are the exception whereas once they were the rule. For years before postal reorganization, it was not uncommon for mail to be delayed, misrouted, or not delivered and I sometimes think those who speak of the "good old days" of the mail service have forgotten about the last 10 or 15 years of the Post Office Department and about the ever increasing volume of mail to be handled.

People seem to forget that the Postal Service as such has only been in existence for a few years, and the difficulty

of overcoming decades of inadequate facilities, outmoded machinery, and operational concepts is one which cannot be solved overnight.

A quick glance at the 1972-73 annual report of the Postmaster General will evidence that major strides toward efficiencies and economies have been made by the 2-year-old Postal Service. During its first year of operation, its net loss was \$175 million. During the past fiscal year, that loss was reduced to \$13 million. The volume of mail delivered during the year rose to a new peak of 89.7 billion pieces, while at the same time productivity of postal employees increased by 6.4 percent for the year. These improvements were accomplished in a post office system glutted with mail handling plants 60, 70, and even 80 years old. The postal system has more than 30 processing centers constructed in the 19th century, and more than 300 have been in service since before World War I. These are not minor offices in sparsely populated areas, but large offices such as Memphis—1885, Brooklyn—1892, San Francisco—1905 and Atlanta—1910. Much remains to be done, but much has been done in these brief 2 years since reorganization.

One of the ways the Postal Service is turning the system around is through a campaign of instruction and education of present and future mail users. In an effort to teach young mail users about the mails, the Postal Service just published a 24-page workbook which contains stories, information, and facts for elementary schoolchildren. The workbook employs puzzles, cutouts and games, and two pages of United States postage stamps for coloring purposes. All of these are used to develop children's skills and their knowledge of not just the postal system, but also our Nation's history and geography.

An educational kit is being distributed upon request to schools by local postmasters. In addition to the workbook, the kit contains a teacher's guide that suggests other learning projects; a classroom poster that depicts the process through which a letter arrives at its destination; bookmarks that feature American themes as told through stamps; and "junior postman" cards that remind youngsters of good mailing practices.

The costs of printing and all attendant costs, such as production and collating will total approximately \$450,000. Some 5 million children will receive the materials at a cost of about 9½ cents each. The total cost of this program represents a mere five-thousandths of 1 percent of the Postal Service's total operating revenue.

Yet recently, this and other initiatives on the part of the Postal Service have been criticized basically because they are new and innovative—notwithstanding their good impact.

Some folks want to return to the days of 17 cents a pound pork chops when mail volume was 21 billion pieces per year as opposed to 90 billion pieces a year today. But since we are not there and it is not foreseeable that we will be there in the near future, I suggest we live in the present. As far as the Postal Service is con-

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cerned, they tell me they want to render the very best service they can at reasonable cost. We can help them with our constructive criticism but it must be based on today's world and not the by-gone days of the 17-cent pork chop or the million dollar postal pork barrel.

FUTURES SHOCK

HON. GEORGE A. GOODLING OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

MR. GOODLING. Mr. Speaker, I wish to draw my colleagues' attention to a recent editorial appearing in Barron's concerning H.R. 11955, the Commodities Futures Trading Commission Act. As we will likely be deciding on this measure shortly, it behoves all of us to become fully acquainted with its far reaching ramifications. This article raises some excellent points regarding the bill's ultimate effects on the commodities industry and on the economy as a whole. I recommend it for my colleagues' careful consideration.

The article follows:

FUTURES SHOCK: A LEGISLATIVE THREAT LOOMS TO COMMODITIES TRADING

Commodities markets have long served the economic needs of farmers, processors and consumers without the dubious benefit of close government supervision. But Washington has chosen futures trading as an all-purpose scapegoat for soaring food prices. And within the next few days, the powerful House Committee on Agriculture will report out H.R. 11955, a measure that would impose full-scale federal regulation.

With a few honorable exceptions, industry spokesmen testifying against the bill made a deplorably weak case—while objecting to this or that provision, most were willing to accept it in principle as something they could "live with" (shades of Wall Street!). As it happens, the most forceful and effective opponent to emerge is Congressman Steven D. Symms (R., Idaho), who warned flatly: "Unless the industry exerts enormous pressure to halt this legislation, the freedom that made the futures system the remarkable success it will soon be lost."

By contrast, advocates of H.R. 11955 have mobilized some Senatorial big guns—George McGovern (D., S.D.), Hubert Humphrey (D., Minn.) and Philip Hart (D. Mich.), among others. These worthies admit they have no real evidence of hanky-panky. For example, when Senator McGovern introduced a bill calling for stricter controls on futures trading, he alleged food price increases "were speculation." Subsequently, he backed off, saying: "I've had to eat crow on that one."

Senator Humphrey is equally ambivalent and determined. "I'm not saying there has been any nefarious activity," he says. "Don't get me wrong about that. I'm just saying the market as it is today isn't structured to prevent wrongdoings. It's like a time bomb."

Such "reasoning," if one may call it that, rests on the premise that regulation is an infallible cure-all for the presumed ills of the market. Indeed, some influential legislators are urging establishment of an organization like the Securities & Exchange Commission. The logic of this position is hard to grasp, inasmuch as the self-policing commodities trade during its 100-odd years of existence has suffered no major scandals—surely nothing remotely resembling such disastrous frauds as Equity Funding and Four Season

Nursing Homes, both of which the SEC has failed to prevent.

Nonetheless, H.R. 11955 calls for the formation of a five-man Commodity Futures Trading Commission (CFTC), which would be granted sweeping policy and police powers under the aegis of the Department of Agriculture. For openers, the commission is to be given authority to determine the location and number of commodities delivery points. This is an immensely complex task, best left to the exchanges. "Wheat delivered in Chicago is more valuable than wheat delivered in Des Moines," notes Rep. Symms. Thus, in cases where multiple delivery points are specified, there are also provisions for discounts to offset transportation differentials and the like. An inexperienced commission could easily gum up the works. However, with every member of the House Committee on Agriculture bucking for delivery points in his constituency, the issue has irresistible political appeal.

The question of how much daily trading a floor broker can undertake for his own and a customer's account is also being turned over to the CFTC. The presumption, along the Potomac at any rate, is that commission merchants are robbing the public blind by executing orders to their own advantage rather than the clients. A look at the record, however, discloses extremely few documented instances of such abuse. Moreover, those in the pits are already under strict control by the exchanges. Since all orders for customers and futures commission merchants are dated and time-stamped, it's a simple matter to monitor such activities. In addition, any hobbling of floor brokers would inevitably reduce market liquidity—as investors in securities have learned the hard way. Floor men's in-and-out trades are an important prop. Without them, trading would be dominated by commercial hedgers—with consequently wider price swings.

The CFTC also is to be granted sweeping injunctive powers, permitting it to close down anyone who "has engaged, is engaging, or is about to engage" in any act that would violate the law. Injunctions could be issued whenever a market or an individual was in a position "to effectuate a squeeze or corner or otherwise restrain trading." Thus, the mere capacity to do "wrong" would be enough to bring on the feds—a provision which on the face of it strikes us as unconstitutional.

Another dismaying provision is that all futures markets would have to be licensed, a key requirement being to demonstrate that specific contracts serve an economic purpose. Obviously (though perhaps not to lawmakers) the best test is success or failure in the marketplace. To illustrate, advances in refrigeration have greatly increased the trading roster of commodities once considered perishable, whereas an attempt to launch a market in turkey futures a few years back was a dismal flop.

More alarming, H.R. 11955 has a section describing circumstances in which the proposed commission could seize control of the futures industry. To wit: "Whenever it has reason to believe that the amount of deliverable supplies, the number of open contracts, the relative size of individual traders' positions, the amount and direction of price movements in cash and futures markets, the impact of government edicts and regulations . . . or any other such market factor that creates a condition which threatens orderly trading."

In other words, the commission itself, rather than free market forces, would decide when the number of open contracts is correct, when traders' positions are balanced, whether cash and/or futures prices are moving in the right direction. There are, of course, no objective yardsticks for determining these conditions, and the CFTC would have to make subjective judgments as to

when it had the right and duty to intervene in trading.

Such a body could also direct markets in so-called "market emergencies." These are defined as: "... Significant intervention of foreign governments in the futures market, war or other national emergency, price controls, export embargoes, or any other significant disruption of normal commercial processes which can reasonably be deemed to affect futures transactions."

This proviso gives the proposed commission immediate justification to control the commodity futures industry. It could, for example, extend the expiration date of contracts, limit trading, alter delivery dates and even suspend trading.

Other features of H.R. 11955 are equally disturbing; there are, for example, no compelling reasons for continuing the ban on commodities options trading or extending bureaucracy's reach to such previously unregulated international commodities as cocoa, coffee, copper, silver and sugar. But proposals that go for the jugular of a viable free market are potentially more disruptive.

Commodities producers, processors and purchasers need to protect their interests in what is rapidly becoming a shortage economy. To illustrate, by buying a wheat contract, a baker can guard against a sudden jump in his raw materials costs. Likewise, by selling a contract specifying future delivery of wheat at an agreed-upon price, a farmer can assure himself of a profit even if the cash market declines when he harvests his crop.

Farm commodities traditionally have dominated futures markets. But virtually anything subject to volatile price swings can become a candidate for trading. No contract would be viable, however, without participation of individuals whose willingness to speculate on future price trends gives commodities markets liquidity.

On the whole, participants get a far fairer shake than in securities markets. Inside information is rare. Most projections on supply and demand are issued by federal agencies, and all players have access to the same scoreboards.

It is tempting for harried Congressmen to subscribe to the theory that sinister forces are engaged in widespread manipulation. The fact is, however, the price gyrations of last summer and beyond were largely attributable to shortages caused by ill-conceived government programs.

The very size of the business has made it an inviting target. In the fiscal year ended last June 30, some 47 million contracts, worth \$399 billion, were bought and sold on the nation's 13 exchanges. Five years earlier, the totals were 20 million contracts worth \$81 billion.

Clearly, the public has considerable confidence in the integrity of the current system, which was subject to self-policing 50 years before the Commodity Exchange Authority came into existence. Rep. Symms says it's possible the proposed measure will turn out to be one the industry can live with. But he has doubts. "If this bill is passed," he warns, "we will have yet another example of Congress throwing reason out the window, along with the liberty and economic survival of the American people."

ERIC AIKEN and ROBERT M. BLEIBERG.

STOP THE CONGRESSIONAL PAY RAISE SAYS MARAZITI

HON. JOSEPH J. MARAZITI
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. MARAZITI. Mr. Speaker, when the Government is trying to stem infla-

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tion, we, in Congress, should be the first to set an example by opposing a pay raise for ourselves.

That is why I am calling upon my colleagues in the House to join with me in opposing the proposed increase in congressional salaries from \$42,500 to \$52,800 in the next 3 years.

This is not the time to raise Government salaries. It is the time to fight inflation by holding the line and rejecting a pay increase or any compromise amendment that might be passed by the Senate and referred to the House. As I said before, we must set the example.

Mr. Speaker, only by rejecting this increase will the people know Congress is sincere in its efforts to halt inflation.

TECHNICAL TRADE WITH SOVIET UNION SOARS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. ASHBROOK. Mr. Speaker, on numerous occasions I have brought to the attention of my colleagues the fact that the United States is exporting its invaluable technology to the Soviet Union. Despite the aggressive policies pursued by the Kremlin in last fall's Mideast war and the Soviet Government's brutal treatment of its own citizens—most recently demonstrated by the arrest and exile of Alexander Solzhenitsyn—technical trade with the Soviet Union continues to expand.

According to Acting Secretary of State William J. Casey, U.S. technical trade with the Soviet Union and other East European countries has "gained significant momentum" since the May 1972 Moscow summit conference and will undoubtedly continue to increase at a gradual rate. The American share of Soviet imports of plant and equipment from the West is now running about 20 percent of the total. It is ironic that while American businessmen are trading hundreds of millions of dollars of plant and equipment to the Soviet Union, the administration is asking for an increased defense budget to meet the Soviet military threat—a threat which, in part, is being built with American technology.

Following is an article from the March 1, 1974 edition of the Washington Star-News on Mr. Casey's remarks:

TECHNICAL TRADE WITH SOVIET UNION SOARS

Acting Secretary of State William J. Casey said yesterday U.S. technical trade with the Soviet Union and other East European countries has "gained significant momentum" since the May 1972 Moscow summit conference and will undoubtedly continue to increase at a gradual rate.

Casey told a meeting of U.S. businessmen interested in exchange of technology with Russia that the American share of Soviet imports of plant and equipment from the west is now running about 20 percent of the total, whereas prior to 1972 the U.S. share of such sales to Russia was only about 5 percent.

"Of total Soviet purchases for such goods of about \$3 billion since the beginning of 1972, \$600 million has been contracted with U.S. firms, making us second only to Ger-

many as a source," Casey said. "I believe this is a remarkable achievement when we recognize France, Germany, Britain and Japan have been in the Soviet market for 10 years, and have the advantage of geographic proximity."

Casey warned businessmen, however, that he expected expansion of technical exchange with the East to be gradual.

He cited several reasons:

Russia's shortage of convertible currencies.

The Soviet economic structure, with its heavy reliance on centralized planning, makes it difficult for that country to introduce rapidly any new technology, particularly foreign.

Russia's lack of personnel experienced in Western production methods and processes.

Continued U.S. restriction on export of technologies which have military as well as civilian uses when the U.S. government considers the security risk unacceptable.

Another major difficulty is the interests of the Soviet Union in including technical assistance as part of any arrangement for purchasing equipment and Moscow's preference for financing any deal by re-exporting a part of the resulting production to the United States firms supplying the equipment.

This does not appeal to many U.S. businessmen, Casey said, because of the "general reluctance" of Russia to permit American participation in the management of the Soviet production which uses U.S. technology.

Some countries in the Communist East European group—Yugoslavia, Romania and Hungary—have overcome these difficulties, Casey said, by permitting the creation of "joint venture arrangements with Western firms," thus enabling the foreign company to have some voice in the management of the production for which it supplied the technology and equipment.

BAN THE HANDGUN—XXVIII

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. BINGHAM. Mr. Speaker, yesterday in Buffalo a gunman forced his way into a house, shot three children, their mother, and later a taxi driver. One child is dead and the other victims are in critical condition. From cartridges found at the scene of the crime, Buffalo police have confirmed to my office that the weapon used was an automatic pistol.

The majority of Americans want strong gun laws so maniacal shooting sprees such as this could be precluded. The article appearing in the New York Times, March 6, is reprinted herewith:

ONE DEAD, FOUR HURT, IN A SHOOTING SPREE

BUFFALO, March 5.—A gunman forced his way into a house early today, shot three children as their mother watched, then shot her and later a taxi driver, the police said.

Ninety minutes after the shooting, in which one of the children died, the police arrested David L. Benefield, 25 years old, and charged him with murder, assault, robbery and possession of a dangerous weapon. Lieut. Leo J. Donovan, chief of the homicide squad, said robbery appeared to have been the motive.

Daniel G. Pascale, assistant detective chief, said Mr. Benefield had barged into a lower flat of the East Side house occupied by Mrs. Leslie Fitch, 37, and her three children, John Davis, 15, Daryl Benton, 9, and Lisa Benton, 6.

Chief Pascale said Mr. Benefield had or-

dered the pajama-clad children to lie on their stomachs on a bed, then fired four times. Each child was shot in the rear of his head and one bullet struck John in the side. Chief Pascale said.

Mr. Benefield then demanded money, jewelry and a welfare check from Mrs. Fitch, shot her in the neck and telephoned for a taxicab, the chief added.

The cab driver, Charles Ziegler, 18, was found shot twice in the head beside his cab about three miles from the Fitch house. The police said his pockets and wallet were empty.

Mrs. Fitch was reported in serious condition, and Lisa, John and Mr. Ziegler were in critical condition. Daryl died about four hours after the shooting.

CALIFORNIA PUBLIC HEALTH ASSOCIATION DIVISION SUPPORTS RIGHT TO ABORTION

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. DELLUMS. Mr. Speaker, I wish to insert in the Record a letter from the northern division of the California Public Health Association that urges opposition to the Buckley and Helms-Hogan proposed amendments to the Constitution that would effectively prohibit legal abortions. As the letter indicates, the CPHA is joined by the American Public Health Association, the California Medical Association, and the American Medical Association in their support for every woman's right to have an abortion.

The numerous civic, religious, medical, and various other local and national groups that have indicated strong support for legalized abortion as is now insured by law, have underlined the importance of maintaining this essential personal freedom. It has become extremely apparent in recent months that the American people would regard any efforts to prohibit legalized abortion as direct infringements on their rights as human beings.

The letter follows:

FEBRUARY 26, 1974.

Re Our Opposition to the Buckley Amendments and Helms-Hogan Amendment.
Hon. RONALD V. DELLUMS,
The House of Representatives,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN DELLUMS: The membership of the California Public Health Association, Northern Division, has (along with the membership of the American Public Health Association, the California Medical Association and the American Medical Association) affirmed and reaffirmed that every woman in the United States should continue to have the personal freedom to make, with the physician of her choice, the decision to determine the outcome of a pregnancy.

Attempts to abridge such basic personal freedoms are being seriously pressed by a minority of our citizens. We urge you to vigorously oppose the Buckley and Helms-Hogan proposed amendments to our Constitution that would effectively prohibit legal abortions, and the Buckley proposed amendment to the 1973 Social Security Amendments which would prohibit the use of Medicaid funds to pay for abortions.

Yours very truly,

JAMES T. HARRISON, M.D.,
President.

EXTENSIONS OF REMARKS

MY RESPONSIBILITY AS A CITIZEN

HON. GEORGE E. SHIPLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. SHIPLEY. Mr. Speaker, it is my honor and privilege to insert in the CONGRESSIONAL RECORD the following prize-winning speech by Scott E. Slezak, Danville, Ill., on the theme "My Responsibility as a Citizen."

Scott is the first prize winner for the State of Illinois in the annual Veterans of Foreign Wars Voice of Democracy Contest. He will be competing next week in Washington for the national championship.

I feel that Scott's speech is well worth our attention.

The speech follows:

MY RESPONSIBILITY AS A CITIZEN

(By Scott E. Slezak)

Each of us is a thread in the banner of Democracy. We become interwoven into democracy, just as thread becomes interwoven into cloth, by accepting our responsibilities as citizens of the United States of America. As thread remains useless if not woven into cloth, so the cloth has no vitality without each thread contributing to its beauty and strength. It is the contributions of every individual acting collectively which weave us into the symbol of the most eminent nation in the world.

But just what are my, like every other individual's, responsibilities as a citizen? What is it which constitutes a significant and beneficial contribution to the strength and beauty of the flag?

The most obvious, and most basic, duty is that to vote. It is my responsibility to select those who will lead me. Most important here, though, is the freedom in choosing these leaders. Because the selection of leaders is unabated, I am able to pick the best person to govern me.

It is my accountability to select the quality of the thread.

Another self-evident obligation to America is the maintenance of law and order. It is necessary to obey the laws set forth by my peers, and to originate new laws which are beneficial to my fellow peers, so as to prevent the loss of our many freedoms.

Selecting the type of weave is another of my obligations.

These duties, and similar ones, are not those which set America apart in the world. The most decisive responsibilities are more subtle, more ambiguous than these. But they are not any the less significant.

The first is the right to give constructive criticism. Constructive criticism is one of the greatest single factors which has influenced the shaping of democracy. To be able to find fault, and then demonstrate how it may be corrected, is one of the greatest obligations I have. This provides for the continual improvement upon the workings of democracy. Tandem with this, though, is my duty to accept criticism, respect it, and transform it into action. It is my responsibility to constantly strive for self-improvement within the fabric of democracy.

I must set the pattern in the material, but be open to the thinking of others.

The second major responsibility I have is to prevent transgression upon the rights of others. To respect the freedoms of others is one of the most difficult obligations to fulfill, yet most necessary for the preservation of democracy. When the freedoms of thought, religion, and choice are removed, government by the people no longer exists. As I have the right to express my ideas, so do others.

Others must be allowed to weave their bunting much as I am allowed to weave mine.

Finally, it is my duty to be an individual; to carry out unique actions, whether they be for the benefit of all, or solely for the advancement of myself. If all men are not individuals, new ideas could never be introduced. But I must stay within the bounds of reason. Even though separate and distinct from all others, I must still be able to interweave in society.

The aforementioned responsibilities as a citizen are those which I believe to be the most vital; all others are built up around these. But these are not only my obligations. They are the responsibilities which every American citizen carries. To perform these duties is to provide a sound basis on which to establish my trust in America. Failing to fulfill these services would be to flaw the material; a thread which does not prohibit the function of the flag, but detracts from its beauty.

To be a golden thread in the fringe of the banner of the United States of America is the desired goal. One like others, in essence, yet still unique; one which is outstanding, strong, and contributing to the beauty of democracy.

UNIFORM TRUCK WEIGHTS ON INTERSTATE HIGHWAYS

HON. DICK SHOUP

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. SHOUP. Mr. Speaker, on February 27, 1974, I introduced H.R. 13117 which is designed to make uniform allowable truck weights on interstate highways. Since this issue has in the past been plagued with misconceptions, and because it is important that this measure pass this session of Congress, I would like to submit a few comments about what the bill would and would not do.

The sole purpose of H.R. 13117 is to establish uniformity for truck weight on the entire Interstate Highway System. The bill does not in any way interfere with state jurisdiction over State roads, and the matter of weight is still a matter of State control. All that H.R. 13117 does is remove a 1956 ceiling which is unrealistic and unnecessarily restrictive, set a new maximum and allow any State to place its limit up to or on that point.

The bill would achieve its purpose through the apportionment of appropriated highway funds. It is provided that apportionment is allowed only to those States which restrict weights to 20,000 pounds per axle or 34,000 pounds for tandem axles. The overall weight is determined by the formula for what is commonly called "Bridge Table B."

In further support of the bill, I would submit the following comments which were written and published by my colleague JIM WRIGHT some years ago when this same issue and related issues were under consideration.

Until 1956, Congress had never even had a law concerning the size of trucks. When we created the Interstate System, we adopted temporary ceilings to apply to that system alone. We did this to protect those highways. We admitted that we didn't know exactly what those ceilings should be. We anticipated that the law would need to be revised. So we directed the Bureau of Public Roads to make a careful study and then advise us as

to the proper ceilings to protect the highways and the traveling public.

The U.S. Bureau of Public Roads did as Congress directed. It spent \$27 million on road tests to find the right formula. The formula in this bill is the one recommended by the Bureau of Public Roads as result of those tests. It is not something dreamed up by the so-called "trucking lobby."

Not to be overlooked in this matter is the energy saving which would result from passage of H.R. 13117. Many States which are now unable to change interstate limits would do so. In fact the majority of Western States already have substantially higher allowances on their noninterstates than they are able to put on the interstates. The increased efficiency of load factors would allow fewer trucks to do the same hauling and more sensible routing would be possible—both resulting in a saving of fuel and either a lowering or stabilizing of rates.

It should also be noted that the overall vehicle weight proposed by H.R. 13117 is determined by a formula which relates weight to length. This is necessary in order to protect bridges and to preclude the concentration of weight in a small area.

Let us therefore give the States this legislation which is of great importance to the public and to the transport industry.

RETired POLICE OFFICER ARRESTS THREE ESCAPEES

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. MURTHA. Mr. Speaker, George Koban is a retired policeman but that does not mean he has lost his interest in law and order.

After completing years on the Philadelphia police force he returned to his home in Ebensburg in Cambria County. On January 19, 1974, George who learned his crime fighting techniques under the tutelage of former Philadelphia Police Commissioner Frank Rizzo, went on a man hunt of his own to bag three jail escapees who were roaming his property. The three men were awaiting trial on various charges at the Cambria County jail near Johnstown. Carrying a shotgun, George first spotted the threesome walking at the rear of his 156 acre estate and approached them to ask their presence. They replied they were hunting which seemed unlikely to George since they were unarmed. When the trio tried to run away he yelled, "Stop, this is the law." They listened to the authority in his voice, authority bred over the long years and which stood him in good stead before he was retired for disability in 1971.

Koban decided to go "hunting" for the escapees after hearing a State police warning that they had fled custody.

His action is characteristic of dedicated police officers everywhere and I am happy to commend his courageous deed. Although disabled he did not

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hesitate to accost the band of escapees and to bring them back to custody.

He stands as an eminent example to all of us; and a reminder that our constabulary is comprised of individuals who do not hesitate to put their lives in jeopardy in the interest of their fellow citizens.

PAY RAISE FOR FEDERAL JUDGES

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. ROSENTHAL. Mr. Speaker, I recently received a letter from a number of distinguished judges in the U.S. district court in New York regarding the proposed Federal pay raise.

I am inserting their letter in the RECORD because I believe that the arguments they make for a pay raise for Federal judges are as persuasive as they are timely.

I commend this letter to my colleagues in both Chambers of the Congress:

U.S. DISTRICT COURT,
U.S. COURTHOUSE,
New York, N.Y., February 7, 1974.

Hon. BENJAMIN S. ROSENTHAL,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN ROSENTHAL: Federal judges, now slated (along with members of Congress and others) for a 7.5% pay increase in each of three successive years, have had no increases in five years. Anyone who deserves to be on the bench in this area could earn at least three of four times his current salary in private practice. While it is not suggested that judicial salaries should be proposed (still leaving us below the earnings of junior partners in law firms) seems minimal.

In these circumstances, we, the undersigned district judges, respectfully suggest that those opposing the increase do not adequately appreciate the problem as it affects the judges of the lower federal courts. If members of the Congress mean this opposition for themselves alone, the position may be different. As to judges, however, whose freedom to earn extra money is (as it should be) sharply circumscribed, there is no justification whatever for withholding the long-overdue adjustment. Salaries of judges have been frozen at 1969 levels while most federal employees have enjoyed cost-of-living increases almost annually with the result that their current compensation is approximately 30% above 1969 rates.

We take the liberty of urging, earnestly and respectfully, that you resist the efforts to veto the increase as it applies to judges.

Very truly yours,

David N. Edelstein, Marvin E. Frankel, Morris E. Lasker, Kevin Thomas Duffy, Constance Baker Motley, John M. Cannella, Robert J. Ward, Dudley B. Bonasal, Murray I. Gurfein, Thomas P. Griesa, Lawrence W. Pierce, Whitman Knapp, Lloyd F. MacMahon, Milton Pollack, Edmund L. Palmieri, Frederick V.P. Bryan, William C. Conner, Arnold Bauman, Irving Ben Cooper, Charles H. Tenney, Robert L. Carter, Charles M. Metzner, Inzer B. Wyatt, Harold R. Tyler, Jr.

March 6, 1974

MIDEAST WAR'S LESSON FOR THE UNITED STATES

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. TEAGUE. Mr. Speaker, the January 14, 1974, issue of the news magazine, U.S. News & World Report, carries an article by Col. William C. Moore, USAF retired, about the Mideast war. Colonel Moore brings up some serious points that we might take to heart. The Mideast situation should remind us of our recent conflicts. Colonel Moore brings up the question, "What do we do if a real crisis arises?" We have seen some problems lately, but we had better think about what we are going to do should a "real crisis" like a Vietnam or a Korea arise again.

I recommend the article to you, my fellow colleagues in Congress, and the general public.

The article follows:

MIDEAST WAR'S LESSON FOR UNITED STATES
(By Col. William C. Moore, U.S. Air Force retired)

(Note.—William C. Moore is a commentator on military affairs. A graduate of the U.S. Military Academy, his background includes many years as an analyst on active duty with the Air Force, with service on the Strategic Plans Group of the Joint Chiefs of Staff and at Supreme Headquarters Allied Powers Europe.)

Of the many bits of intelligence emerging from the Yom Kippur war in the Mideast, one is considered by top U.S. military planners to be the most worrisome and far-reaching in implication.

This worry centers on the monumental attrition rates suffered by both sides—Arabs and Israelis—during the relatively short period of fighting.

Although sufficient time has not passed to permit the gathering of final statistics, some planners already conclude that never in the annals of military history has attrition been so severe in 18 days of fighting.

After one week of warfare, Israel's losses were placed at 650 tanks and armored vehicles—about one third of its armored strength at the start of the war. Air losses ranged from one fourth to one third of the initial strength.

In one week Syria lost nearly 800 of 1,300 tanks committed to battle.

So severe were these attrition rates that analysts—given the tempo of fighting in the first week—estimated that Israel's war supplies might last only two additional weeks, Syrian stocks might last less than a week, and Egyptian supplies perhaps 10 days, more or less.

Rough estimates for the entire 18 days of the war show Arab losses to be 1,500 tanks and 450 aircraft, compared with Israel's losses of 500 tanks and 120 aircraft.

To appreciate the enormity of these attrition rates, consider the battle of El Alamein, one of the great showdowns in World War II.

At the start of that battle, which lasted 12 days—Oct. 23 to Nov. 4, 1942—General Montgomery, the British commander, had 1,114 tanks; General Rommel, the German commander, had 600. Montgomery lost 432 of his tanks; Rommel lost 500—a total of 932 for both sides. Compare this with the 2,000 tanks destroyed in the Yom Kippur war.

These staggering attrition rates are what prompted the Soviet Union and the United States to initiate their massive resupply effort.

Resupply of Israel by the U.S. started later than the Russian airlift to the Arabs, but the U.S. soon caught up in the number of tons delivered. Deliveries by U.S. airlift eventually reached a daily peak of between 800 to 1,000 tons, according to the Defense Department.

By the time of the cease-fire, both the U.S. and the Soviet Union had initiated action to supply greater quantities by ships to keep up with the needs of their clients.

Why are U.S. planners so worried about all this? For two reasons:

1. It raises serious doubts about the validity of U.S. war-planning factors on attrition rates in modern combat. These planning factors determine the stocks U.S. armed forces maintain in order to achieve war aims.

2. It raises serious doubts about the capability of the U.S. to fulfill its obligations to client states, as called for by the Nixon Doctrine.

To fulfill obligations to Israel required considerable improvisations by the U.S. Some F-4 warplanes were taken from U.S. operational units and flown nonstop by U.S. pilots to Israel. Other F-4s came directly from the production line.

Tanks came out of stocks earmarked for operational units in Europe. And, although Department of Defense officials are saying very little about this, undoubtedly the U.S. was forced to dip into war reserves in many categories of supplies, such as small ammunition and artillery shells.

When you consider that the U.S. presently has only one tank line in production, producing only 360 tanks a year, the reason for concern at the Pentagon is inescapable.

What worries planners is that the Soviets apparently were not similarly pinched. To the contrary, Representative Samuel S. Stratton (Dem.), of New York, who headed a 21-member subcommittee of the House Armed Services Committee that toured the battle front, reported:

"What the Soviets gave the Arabs was not sophistication but proliferation. It was the vast number of weapons provided the Arabs rather than any exceptional technical capability that took a toll."

In some phases of battle, the Israelis were outnumbered 12 to 1 in tanks, and over-all weapons superiority was 3-to-4 to 1 in favor of the Arabs, the subcommittee reported.

Soviet military doctrine has traditionally emphasized the principle of mass. As a consequence, not only do operational units have a large number of tanks, artillery pieces and aircraft, but great quantities are unquestionably available in reserve stocks to supply Soviet client states.

These facts raise some obvious and ominous questions for the U.S. military planners.

What does the U.S. do if Vietnam continues to get hotter and hotter? And what if, at the same time, the North Koreans initiate military action to back up their ominous sabre-rattling against South Korea? And, as U.S. officials point out, the Mideast is by no means settled; fighting could break out again, placing additional demands on the U.S.

If a real crisis arises, what do we do? Do we rob Peter (United States operational units) to pay Paul (the client states)? Do we dip into reserves which the Mideast war has shown to be less than minimum? Do we equivocate on the Nixon Doctrine? Or do we, in fact, learn some lessons from the Yom Kippur war, and pay the price to correct expressed deficiencies?

These are not easy questions to answer, but answers are being sought.

The alternative to no answers and no action is to permit the Soviet Union to use its vast arsenal of war supplies and client states to achieve local military superiority in several areas of the world.

EXTENSIONS OF REMARKS

A FOUR-LETTER WORD

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. SYMMS. Mr. Speaker, I am happy to see that opposition is growing to the Occupational Safety and Health Act—OSHA. Recently an editorial calling for the repeal of this law appeared in the Caldwell News-Tribune, my hometown newspaper in Idaho. I am very pleased that the public is becoming aware of the damage that OSHA is doing to business, especially small businesses, and to the threat to freedom that this law represents, also I'm happy to announce that upon reintroducing my bill to repeal OSHA today 41 Members of the House are now cosponsors.

The editorial, dated March 1, 1974, reads as follows:

A FOUR-LETTER WORD

If you think the Occupational Safety and Health Act is something that exists in Detroit, Cleveland, Seattle, etc. and not in Canyon County, think again.

OSHA inspectors are here and doing their incredible thing in the fashion we've all heard about—forget common sense, we've got to be doing something to justify our jobs and, therefore, our existence.

There is no point in listing all the unbelievable measures demanded by OSHA in the name of "health and safety." If you are a businessman or an employee or friend of one, you know what we are talking about.

We'll say one thing for OSHA. It has scared hell out of a lot of businessmen who showed us examples of visits by the federal people but would prefer not to have their names mentioned. "They will just come back and make it worse on us," is the reason commonly heard.

That, in itself, is reason enough to push for the repeal of OSHA. If a bureaucracy's strength is the public's fear of it, then there must be a change. The best change is to do away with OSHA.

At any rate, try to understand these OSHA gems.

In Nampa, a machine that perforates paper must have a guard on it to prevent injury. Trouble is, with the guard on, the machine won't operate.

A store in Caldwell recently tore up its floor and put down a new one, completely carpeted. The reason: There were two small bumps in the previous tile floor that posed a threat, according to OSHA. That is all well and good except that the bumps were in an area that was never subject to traffic.

A Nampa firm was fined \$50 for having a fire extinguisher not located at eye level. OSHA was correct: it wasn't at eye level unless you happen to be 5-8 or taller.

A laundry, at a cost of \$9,000, was forced to install safety devices on washers and dryers so they couldn't be opened until they were completely stopped. "The only difference," says the owner, "is that before they shut off when you opened the door and now they can't be opened until you shut them off."

The list could go on but we find one more thing about OSHA just too hard to take. Under the law cities don't have to comply with the regulations.

We applaud that section of the law. Now we need another law that does away with OSHA completely, not just on a selective basis.

OSHA discriminates against private enterprise and it is being administered by an army of idiots who possess no common sense. The sooner OSHA becomes just another four-letter word that is not a law on the books, the better off the country will be.

REAL REFORM DEMANDS ROLE FOR MINORITY

HON. JAMES C. CLEVELAND

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. CLEVELAND. Mr. Speaker, many of us have observed with great interest the work of the Select Committee on Committees, chaired by our friend from Missouri (Mr. BOLLING), in devising reforms to strengthen the Congress by equipping it to do its job better. I applaud this effort and will have further observations to make on specific proposals at the appropriate time.

It is my purpose today, however, to call to the attention of my colleagues a proposal transmitted to the Select Committee in a joint statement last week by my colleague from Illinois (Mr. MICHEL) and myself. An outgrowth of our work on the House Republican Task Force on Congressional Reform and Minority Staffing, this proposal simply says:

Whenever both the executive and legislative branches are under the control of the same political party, a select committee in the House under the control of the minority party be automatically created, funded, and vested with wide-ranging investigatory authority.

At a time when independence of the investigatory function is of considerable public interest, and the Select Committee on Committees is rightly concerned with strengthening the oversight function of Congress, I commend this proposal to my colleagues in the hope they will agree that the minority has a legitimate—and potentially pivotal—role in the process. The statement follows:

JOINT STATEMENT OF REPRESENTATIVES ROBERT H. MICHEL OF ILLINOIS AND JAMES C. CLEVELAND OF NEW HAMPSHIRE TO THE SELECT COMMITTEE ON COMMITTEES, FEBRUARY 28, 1974

Mr. Chairman and Members of the Committee, as you pursue your deliberations on your working draft, "Committee Structure and Procedures of the House of Representatives," we request that you consider the following proposal for incorporation in your final report to the House: That when both the Executive and Legislative branches are under the control of the same political party, a Select Committee in the House under the control of the minority party be automatically created, funded and vested with wide-ranging investigatory authority.

We believe this proposal is consistent with both the objectives of the structural and procedural reforms this Select Committee is developing and the larger effort to strengthen the Congress and curb excessive Executive power, to which your work represents a significant contribution. In fact, we are convinced that this proposal is imperative if the other reforms under consideration are to achieve their full potential.

Though a substantial departure from current practice, the concept is not altogether new. It is rooted in the self-evident truth

that no Administration can be relied upon to investigate itself. Nor can the majority party in the Congress be relied upon to investigate an Administration of that same party. Whatever the competence, commitment and integrity of those carrying out investigative responsibilities, independence from the subject of their investigation is critical to the confidence of the public in their findings.

Such independence is implicit in our Constitutional system of checks and balances. In recent days, the principle has been reflected in advocacy of a Special Prosecutor to investigate the Watergate affair and support—by Common Cause and others—for a Federal Elections Commission to enforce compliance with election laws.

Nor is it new in practice. In 1923, when the Administration and both Houses of the Congress were under control of the Republican Party, Democratic Sen. Thomas J. Walsh of Montana was prevailed upon by Republican Sen. Robert La Follette to take charge of the Teapot Dome investigation. Walsh was persuaded that the Republican members of the Public Lands Committee had little relish for the task, and accordingly took informal command of the committee. The British Parliamentary system has given effect to the principle for more than a century through the functioning of the Committee of Public Accounts of the House of Commons, under opposition party control.

Finally, it is not new as an organizational proposal. Vice President Ford, while a House member in 1965, proposed in a speech before the National Press Club that when both branches are under control of the same party, the Government Operations Committees of both houses be under the control of the minority. Said Ford at the time: "Here would be a genuine vehicle to assure that the voice of the minority would be heard, that the majority would be constantly on notice that its actions or inactions were subject to effective and critical review. Here would be assurance that the public through (the press) would know that any cover-up or wrongdoing would be improbable if not impossible."

This proposal was incorporated in Cleveland testimony before the Joint Committee on the Organization of Congress on May 24, 1965, and in Michel's legislation, H.R. 9252, introduced on June 21, 1965. It has been reintroduced in succeeding Congresses, the most recent version being H.R. 793, January 3, 1973. It also was the basis for the Michel chapter in "We Propose: A Modern Congress," the report of the House Republican Task Force on Congressional Reform and Minority Staffing under Cleveland chairmanship.

Members of this Select Committee will note, however, that we are proposing a Select Committee on Investigations rather than minority control over the Government Operations Committee. Such a body would assert the principle of a strong minority role in investigations without creating an anomalous situation whereby the minority would control the traditional legislative functions of the Committee on Government Operations. Thus our revised approach would not conflict with your Select Committee's proposals to expand the legislative jurisdiction of the Government Operations Committee in the process of restructuring the functional alignment of all standing committees.

Such a separate investigating committee, indeed, was proposed by former Rep. Florence Dwyer of New Jersey on the basis of her observations of the conduct of the Government Operations Committee, of which she was ranking minority member, in its investigation of the Billie Sol Estes scandal. Largely responsible for prodding the committee into undertaking the probe, Mrs. Dwyer was never satisfied that the investigation, albeit a protracted one, was pursued with sufficient vigor. Here was an instance of a majority party in the Congress investigating an administration of the same party.

Her proposal would have created a Select Committee on Investigations composed of 15 members appointed by the Speaker. Eight of the members, including the chairman would be minority party members selected from a panel of 24 minority party members nominated by the minority leader. The other seven would be members of the majority party. The committee's jurisdiction would be governmentwide, but the committee would be specifically precluded from investigating any subject under active investigation by a standing committee or subcommittee.

Arguing in support of her proposal on July 26, 1966, Mrs. Dwyer said:

"The problem exists regardless of the party in power. It is unrealistic to expect the congressional members of a political party—again, regardless of the party—to subject executive branch officials of the same party to the kind of complete and searching scrutiny required for the proper exercise of congressional oversight authority.

"While it is understandable in human terms that majority party Members of Congress—whatever the party—should be reluctant to expose their opposite numbers in the executive branch to serious political embarrassment, the integrity and constitutional authority of Congress cannot be allowed to be compromised by inaction, however understandable, when abuse of authority, incompetence, inefficiency, or wrongdoing may be involved."

Such skepticism was also inspired by the performance of the Senate in 1964, when proposals to expand the Bobby Baker investigation were opposed by the majority by votes ranging from overwhelming to near unanimous.

Our colleague from Illinois, Mr. Crane, has performed a useful service in calling to Members' attention last July his analysis of seven key votes, including one to block any broadening of the probe to Senators and Senate employees concerning "any financial or business interests or activities, including activities involving the giving or receiving of campaign funds under questionable circumstances." It is significant to note that majority party members, including the leadership and members later to become presidential candidates, and the current majority membership of the Watergate Committee exhibited a determined disinclination to pursue the path from the office of the former Secretary to the Majority wherever it led. This raises serious questions as to whether the Watergate Committee would have been established at all, much less performed with such conspicuous zeal, had the administration under investigation been of the same party.

It can hardly be contended that abuses of the 1972 campaign were a unique creation of the incumbent administration. In his February 20 testimony before the Joint Committee on Congressional Operations, Sen. Mondale spoke of the arrogance of power in the executive branch reflected in Watergate. "This arrogance is not a phenomenon only of this Administration, but is the culmination of a trend which began decades ago. Unless we end the misuse of executive power and gain public respect for and understanding of Congress' role in increasing the accountability of government, we will never reverse the loss of confidence which the polls are now reflecting."

In a similar vein, Democratic Rep. John H. Dent of Pennsylvania, Chairman of the Elections Subcommittee of the Committee on House Administration, said during a hearing on campaign abuses, "We can raise money. If we were in power we would have had the Watergate, what the hell?"

With characteristic candor, Chairman Dent continued: "I do not think we would have had it that bad, but we would have had something. Sure, a party in power can raise an unlimited amount of money, that has

been the history whether you are running for squire or county commissioner or anything else."

Thus proposals for an independent investigatory function by the minority, and ample evidence to justify them, have been before us for a decade and more.

To its credit, the Congress is now in the process of enacting many reforms to redress the imbalance of power between the executive and the legislature, including those under consideration by this Select Committee, war powers legislation, budget reforms and curbs on impoundment. We think it significant that many measures proposed or under active consideration were advocated in some form by the Republican Task Force on Congressional Reform. The fascination with Presidential government has gone out of fashion. The Vietnam conflict and Watergate have played a role in highlighting the dangers of excessive executive authority. But it is not unreasonable to suggest that a change of Administrations in 1969 contributed to the evolution of majority sentiment in this area. This is not to attribute the drive for reform to excessive partisanship. To the extent that it is based on an adversary relationship between the Congressional majority and the White House, it is the positive product of our two-party system. Our proposal is merely intended to preserve and strengthen this relationship by lending it organizational standing in the hope that, regardless of who controls the two branches, a momentum for reform will be maintained.

Procedurally, the proposal fits in well with the objective of strengthening the oversight function which this Select Committee has rightly identified as a critical need. While expanding the scope of the Government Operations Committee's jurisdiction, your proposals call also for creation of a subcommittee of each standing committee to perform oversight functions and undertake more long-range planning and anticipation of problems. The existence of a separate investigating body under the control of the minority could well serve as a spur to the functioning of these subcommittees.

As noted in the Michel chapter on minority investigations in "We Propose," such an arrangement "may do much to restore the moral force otherwise lacking and thus secure public acceptance of the fairness and justice of congressional actions. The existence of minority control would be a constant reminder to the official that excessive actions risk legislative inquiry and reversal." For further discussion of the principle, in the context of a Government Operations Committee performing the role, see the full Michel chapter on the subject. "We Propose," though published in 1966, remains available in sufficient quantity for the Committee's examination.

A concluding note. In keeping with the principle of another reform we have advocated, we would support language assuring that the majority party in the Congress, in its minority role on the Select Committee on Investigations, be afforded up to one-third of the funds provided for the appointment of committee staff, such personnel being assigned for duties at the committee minority's discretion.

WE'RE GOING FOR COMPANIES THROATS

HON. EARL F. LANDGREBE OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. LANDGREBE. Mr. Speaker, last November 30 I introduced a bill to repeal the Consumer Product Safety Act of 1972,

H.R. 11717. On December 5 I inserted remarks in the RECORD detailing my reasons for offering such a bill. Since that time, four of my good friends and colleagues have agreed to cosponsor my bill to repeal the Consumer Product Safety Act, and it has been reintroduced as H.R. 12517. I wish to include in the RECORD today an article from Dun's Review, January 1974, which furnishes some more evidence of the threat to a free society posed by the Consumer Product Safety Commission. The article is entitled "We're Going for Companies Throats," a statement made by a member of the Consumer Product Safety Commission, R. David Pittle. The title captures the essence of the Commission's powers and attitude, and unmistakably illustrates the arrogance of this Commission and its hatred of free enterprise.

The article follows:

WE'RE GOING FOR COMPANIES THROATS

Once in a generation, it seems, the United States Congress enacts sweeping legislation that creates a whole new ball game for business. In 1890, it was the Sherman Antitrust Act; in 1914, the Federal Trade Commission Act; and in 1933, the Securities Act. And last year, with very little fanfare, Congress created the Consumer Product Safety Commission—the most powerful business regulatory agency in the nation's history.

From bicycles and bowling equipment to electric appliances and elevators, the five-member CPSC has virtual life-and-death power over practically every major company in the nation. It can not only issue a ukase banning a product without even a court hearing, but executives of companies that violate its statute can actually be sent to jail for a year. "If a company violates our statute," CPSC Chairman Richard Simpson told DUN'S, "we will not concern ourselves with its middle-level executives; we will put the chief executive officer in jail. Once we do put a top executive behind bars, I am sure that we will get a much higher degree of compliance from other companies."

The threat of such a jail sentence was enough to spoil the Thanksgiving dinner of Chairman Charles Bluhdorn of Gulf & Western Industries. Last fall, the Commission learned that G&W's Consolidated Cigar subsidiary had received many complaints about the hazardous nature of its butane lighters. But Consolidated failed either to correct the defect or notify the Commission as required by law. Under his policy of going right to the top, just before Thanksgiving Simpson sent a letter to Bluhdorn informing him of the criminal penalties he could be subject to for not complying with the law. "That letter worked wonders with Bluhdorn," laughs CPSC Commissioner Lawrence Kushner, "but we are far from through with Gulf & Western."

Just a sampler of other major companies that have felt the whiplash of the new Commission since it set up shop last May: Admiral, RCA, Zenith and Philco-Ford, whose color television sets were deemed fire hazards; Tappan Co., whose ovens were found to leak gas; and Minnesota Mining and Manufacturing and Borden, which saw their adhesive sprays suddenly banned on the grounds that they caused genetic defects. "Anytime consumer safety is threatened," insists Commissioner David Pittle, "we're going to go for the company's throat."

Executives of 3M and Borden are particularly irate at what they consider the high-handed manner in which the ban on adhesives was announced. Top executives of both companies were notified around 2 a.m. on a Saturday morning that the ban was in effect and that the wire services were being

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notified. Both companies immediately stated that they would voluntarily comply with the Commission's order and withdraw the sprays. "We asked that they put the fact that we voluntarily complied in their announcement," complains James T. McCrory, director of government relations for Borden. "But somehow they didn't do it."

AWESOME POWERS?

Adding to the Commission's awesome powers is the fact that Congress purposely insulated it from the pressures that have tamed many a fire-eating regulatory agency in the past. In the first place, its chairman—unlike the chairman of every other regulatory agency—does not serve at the pleasure of the President. Once appointed, he cannot be removed until his term has expired. Second, under its strict conflict-of-interest strictures, no Commission employee at a policy-making level can accept a job with a company that has a matter before the Commission for at least one year after he leaves the CPSC.

Third, and most important, the CPSC budget is specifically exempted from the control of the White House's Office of Management and Budget. Congress has the overriding say in its budget. "Business can't look to the White House for help against the Commission," points out a top Washington lobbyist, "because it isn't in any position to give us any."

Unfettered by the traditional constraints of the OMB, the Commission, plans to ask Congress for a whopping 40% hike in its budget for the next fiscal year. And given the political popularity of consumer safety, it is almost certain to get everything it wants. "No Congressman wants to be put in the position of being against consumer safety," argues David Swit, publisher of Product Safety Letter, a Washington-based newsletter for executives, "so I am sure the Commission will get every dollar it asks for."

Next year, another provision of the law will go into effect that could spell even more trouble for business. Right now, individual consumers are permitted to petition the Commission to bar allegedly unsafe products from the marketplace; the CPSC then has 120 days to either grant or deny the petition. But next year, if the petitioner does not like the ruling he can appeal it to the federal courts. "In the end," points out Thomas Green, minority counsel to the House Subcommittee on Commerce and Finance, "this could be the most important provision in the law. For even if a company has done nothing wrong, the publicity attached to such a suit could be very harmful."

Right now, the basic thrust of the Commission's investigations stems from its National Electronic Injury Surveillance System (NEISS). Under this computerized system, 119 hospitals in thirty states report to the Commission the causes of injuries sustained by patients who have been treated in the previous 24 hours. Using the frequency of injuries under the NEISS system as a basis, the Commission recently published a "priority list" of products that it is going to investigate. Among the targets: bicycles, stairs, doors, cleaning compounds and lawnmowers. "They are hitting everything that is produced in this economy," angrily snaps Robert Buehler, director of government relations for B.F. Goodrich Co. "Why, they could even come to the conclusion that toothpicks are a hazard."

For the hundreds of companies that manufacture these products, the key question, of course, is how much it will cost to correct the problem the Commission might be carpings about. "Take our guys who make \$50 mowers," argues Dennis Dix, executive director of the Outdoor Power Equipment Institute, a trade association representing some seventy manufacturers. "If they have to add \$10 in costs to pay for safety, that is their

profit margin. They just might decide that it isn't worth staying in business."

But the Commission's viewpoint is succinctly stated by Commissioner David Pittle: "When it involves a product that is unsafe, I don't care how much it costs the company to correct the problem."

Pittle, in fact, could have the most influence of all the Commissioners on the CPSC's future investigations. As former president of the Alliance for Consumer Protection in Pittsburgh, engineer Pittle had some very pronounced ideas about product safety long before he was tapped for the Commission. Under a grant from the National Science Foundation, he spent a year in the laboratory examining the safety characteristics of some sixty products, including drills, ovens, irons and bottles. "It convinced me," admits Pittle, "that the companies that designed these products gave very little thought to the safety aspects. This experience gives me a lot to draw on when we get complaints about these products."

WATCH OUT FOR SIMPSON

Nor, despite his business background, should the views of Chairman Richard Simpson give much comfort to businessmen. The White House tapped Simpson, a self-made millionaire engineer, for the chairmanship after several other businessmen had turned the job down because of strictures prohibiting employment with companies that might have to come before the Commission. Given the CPSC's sweeping mandate, that could conceivably include every major company in the country. The well-heeled Simpson, who had sold his business, was in the enviable position of not having to worry about future employment.

When he was first appointed, Simpson appeared to be the kind of chairman whom business could work with. A registered Republican, the mild-mannered engineer was immediately hailed by business groups as a man who would use discretion in wielding the new agency's awesome powers. But they were wrong. Once he took office, he immediately began to wield the big stick Congress had deliberately put into the Commission's hands. Businessmen, long used to coming into a federal regulatory agency and working out a compromise, quickly got the message that the Consumer Product Safety Commission was giving no quarter. With one eye on the consumer groups that have been calling for more business scalps, Simpson has repeatedly declared that the Commission will rebuff any pressures from business. "Unlike some agencies around Washington," he says, "this one will never become the captive of the industries it regulates. There will be no deals with businessmen," insists Simpson. "We especially don't want to hear from the guy who comes in here and says: 'I promise not to produce any more of this if you let me get rid of my inventory.' Furthermore," he warns, "all meetings are on the record."

After naming Simpson chairman, the President selected three other Commission members: Barbara Franklin, a White House personnel recruiter whose task had been to bring more women into government; Constance Newman, a lawyer who had worked in various anti-poverty agencies; and Lawrence Kushner, a chemist who had spent 24 years with the National Bureau of Standards. "The trouble with this crew," complains the Washington director of a major trade association, "is that they have had very little experience with the business system. Consequently, they couldn't possibly understand the problems of businessmen who come before them."

At that point, there was still one vacancy on the Commission. Under heavy pressure from consumer groups and Congress to name a person identified with the consumer movement, the White House at first simply dug in its heels and did nothing. Ultimately, though, the Administration was forced to bow to the

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pressure. The deciding factor was the Senate's rejection last summer of the President's nomination of Robert H. Morris to the Federal Power Commission. Washington's powerhouse Senator Warren Magnuson, who led the onslaught, argued that Morris was too closely identified with the oil industry and that more representatives of consumer groups should be named to the regulatory commissions.

The White House, which foresaw its future nominees to the regulatory commissions suffering the same fate, indicated to Magnuson that it would be receptive to any suggestion he might have for the fifth spot on the CPSC. It was Pittle. The White House quickly accepted the Carnegie-Mellon University professor, and the nomination breezed through the Senate.

The impetus to create the CPSC was the report of the National Commission on Product Safety, appointed by President Lyndon Johnson just before he left office, that U.S. citizens suffered some 20 million injuries annually because of unsafe products. Goaded by the report and heavy pressure from Ralph Nader and other consumer advocates, the drive for an independent consumer safety agency was spearheaded in the Senate by Magnuson and in the House by California's John Moss. The Administration, acutely aware of what such an independent commission could do to business, attempted to block it by calling for an agency within the Department of Health, Education and Welfare. Such an agency, of course, would have been under the direct control of the White House.

But the strategy backfired. Incensed by the White House's attempt to control the proposed commission, Magnuson and Moss wrote provisions into the statute that created the most independent agency in the history of the United States government. Perhaps recalling the White House's removal last year of Miles Kirkpatrick, the hard-driving Chairman of the Federal Trade Commission, the bill's framers were particularly insistent that the CPSC chairman should not be subject to dismissal by the White House.

CAUGHT NAPPING?

Given the revolutionary powers granted the new commission, it is surprising that the law passed with such little fanfare. Apparently, the Washington representatives of the major corporations and trade associations either did not realize the law's potential or somehow thought it did not have a chance. Says Commissioner Kushner: "My guess is that many business groups failed to attack the bill because they felt that in the end it wouldn't be passed."

Once the bill was passed, the President was besieged by business groups, finally waking up to what was happening, to veto the bill. And OMB Director Roy Ash, irate at the upstart agency's freedom from traditional OMB control, tried to convince the President that this was a dangerous precedent.

Unfortunately for business, the bill hit the President's desk only two weeks before the Presidential election, and he signed it. "No politically minded President," argues Malcolm Jensen, executive director of the Can Manufacturers Institute, "could veto a bill with the words 'consumer' and 'safety' in its title that close to an election."

The creation of the Consumer Product Safety Commission should be an object lesson in elementary civics for every businessman. For while it is doubtful that the measure could have been blocked entirely, many of its landmark provisions might well have been watered down. "That Commission," points out Mississippi's Democratic Congressman Jamie L. Whitten, "has more power than a good man would want or a bad man should have."

ENERGY ACCOUNTING INVESTIGATIONS ACT OF 1974

HON. OGDEN R. REID

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. REID. Mr. Speaker, today I have introduced the Energy Accounting Investigations Act of 1974. It is, as I see it, one small step towards the goal of a free enterprise and free market economy which functions fairly and efficiently with a minimum of Government interference.

The pattern of accounting services for the oil industry is concentrated in little more than a handful of firms. Seven of them audit the books of the 29 largest oil companies in the United States, as well as scores of so-called oil banks, oil affiliates, and oil company employee benefit funds. A number of recent studies have outlined the abuses of antitrust policy by the major oil companies. The studies also noted the failures of recent administrations in curbing the anticompetitive practices which predominate the oil companies' dealings with one another and with other industries.

One of those is the accounting industry. There are undeniable advantages in the concentration of services provided by a few accounting firms. An industry expertise is developed which can be carried over and applied within the industry to individual firms. There can be a uniformity of approach in which "like things look alike." This standardization provides a floor of understanding which is of considerable value to analysts watching the petroleum industry.

Nevertheless, Mr. Speaker, uniformity of action and approach promotes habits and practices which have historically always worked to the disadvantage of the general and investing public. Many of these practices fall into the gray area of business morality.

Servicing several oil clients may, I believe, cast an accountant's approach into a rigid mold with consequent fear of innovation or independence in auditing concepts. The history of the accounting industry reveals that it required the courts to dislodge them from the concept of "generally accepted accounting principles" to one in which their primary duty was interpreted to "present fairly" the conditions of the firms they audit.

The question of ethics in accounting principles is also at stake when four oil companies over a 9-year period were each able to increase their assets twice as fast as their retained earnings. Three of the four were audited by the same firm.

Servicing a number of firms in the same industry, in my opinion, places the account in the role of management conduit from which there could follow a parallelism of action and approach. Accountants can be conduits for financing practices. In a discussion of top management, how far removed would it be for the conversation to turn to other strategies that are practiced by companies

within the same industry? "Helping with problems" implies the application of know-how required in one concern and transmitting it to another.

Mr. Speaker, where is the fine line to be drawn between an innocent professional service and an anticompetitive practice?

Why the concentration of services among only seven firms? There are at least eight others of second-echelon size and equal quality who, if permitted to serve the oil companies, would open up the area of competitive practice.

My bill is designed to investigate the possibility of these and similar abuses. It calls for a Federal Trade Commission investigation into the situation. Following this investigation, the FTC is directed to take the necessary steps to remove barriers to competition in the accounting industry's relations with the energy industries. In addition, the FTC is ordered to promote fair and ethical standards in those relationships.

The measure requires integrated major oil companies to report annually on the accounting methods they use for each and any of their four levels of operation, those being production, refining, transportation, and marketing.

The whole concept of concentration of accounting services within the oil industry is a neglected area of investigation. The normal rules against concentration would seem to be applicable in this polite society of mammoth accounting firms and mammoth oil establishments.

SOUTHERN NEW JERSEY IS DOING ITS PART TO CONSERVE ENERGY

HON. CHARLES W. SANDMAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. SANDMAN. Mr. Speaker, I want to take a moment to report that the people of the Second Congressional District in New Jersey are doing what I consider to be an excellent job of conserving precious oil during the current energy crisis.

Reports I have received from Atlantic, Cape May, Cumberland, Salem, and portions of Ocean and Burlington Counties which I represent in Congress are most encouraging.

With respect to use of the automobile, which is the largest single guzzler of petroleum products, my information is that my constituents have cut their gasoline use by at least 15 percent. Needless to say, it has been difficult and has involved some sacrifices. But the people of southern New Jersey are a sturdy, determined group of individuals who have always been willing to do their share.

With respect to electricity, my entire congressional district is fortunate to be served by a public spirited utility that has always been in the forefront of developments to meet the needs of its customers while at the same time serving the best interests of the country's economy and

environment. That utility is the Atlantic City Electric Co.

THE NATION'S FIRST

All of Atlantic City Electric's wholly owned generating stations were designed as coal-firing units. With the growing environmental awareness of recent years, four of the nine units were converted to low-sulfur oil during 1970 through 1972.

In fact, one of the Atlantic City Electric generating units was the first in the entire Nation to convert to low-sulfur crude oil in order to meet the growing concern for improvements of air quality.

When the present oil shortage approached, once again Atlantic City Electric was the first utility in the Nation to convert back to burning coal. Both firsts occurred at the B. L. England generating station at Beesley's Point.

I am very proud of this company's quick reaction to the changing priorities of our economy.

Presently, approximately 80 percent of the electric energy now serving my congressional district is being produced from coal-burning generating units operated by Atlantic City Electric Co.

One important result of this change-over, of course, is that large quantities of crude oil that had been diverted to feed electric generating units can now be refined into gasoline and other petroleum products.

The transition has not been without problems, as can be imagined considering the magnitude of the energy needs of southern New Jersey.

For instance, Atlantic City Electric purchased coal 10 years ago at an average price of \$17 per ton. Today, the company is lucky to be able to get some tonnage at \$27. Even so, the quality of much of the coal being produced today is so poor that the B. L. England and Deepwater stations cannot be operated at full capacity when using it.

And finally, there is the apparent impasse between the needs for coal as a source of energy on the one hand and the need for air quality standards on the other hand. With the shortage of low-sulfur oil at the present time, it is impossible to have the best of both worlds.

The public will be the final arbitrator of that. I retain confidence that Atlantic City Electric Co. will be able to continue to react promptly in the best interests of the country and its customers.

MACALESTER COLLEGE CELEBRATES CENTENNIAL

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. FRASER. Mr. Speaker, Macalester College, a small, liberal arts college in St. Paul, Minn., celebrated the 100th anniversary of the granting of its charter March 5, 1974, with a special convocation and reception. The centennial celebra-

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tion continues until March 5, 1975, and will feature programs conducted by individual departments, special seminars, art exhibitions, plays, and concerts.

Macalester College has always played a unique and important role in Twin Cities' cultural and academic life. As an area resident I am grateful for the opportunity to participate in the special centennial activities, and all of us in the Twin Cities wish to extend our congratulations to the college for its 100 years of fine service to students and community.

"PRIDE IN AMERICA"

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. RONCALLO of New York. Mr. Speaker, today's climate is, indeed, a trying one for all Americans. While it is true that we have problems for which there are no hard and fast solutions, I have strong faith in the pioneering spirit and gutsiness of the American people and am confident that we shall pull out of our present situation as we have others in the past.

I know, and I am sure many of you share my belief, that America is the greatest country in the world. In spite of this, we at times seem determined to wear a hair shirt and to throw in the dust what other nations would be proud to acclaim.

Along this line, I want to share with my colleagues the resolution recently received in my office, "Pride in America," as adopted by the U.S. Jaycees. I heartily endorse their statement of positive individual participation in this cause:

RESOLUTION—"PRIDE IN AMERICA"

It is becoming increasingly difficult to appreciate that our country offers more opportunity than any nation in the world . . . because

Today this country's detractors show little regard for our institutions.

Most Americans have strong convictions in these institutions that are the cornerstones of our great country:

Faith in God, brotherhood of man, free enterprise, government by the people, individualism, and service to humanity.

Constantly it is repeated that Americans no longer enjoy individual expression.

The United States Jaycees know better because of their affiliations in 6,700 communities throughout this great country.

History has proven that the American people can unite when threatened! Once again we are threatened but not by outside forces.

Our new threat is one of self-doubt reinforced daily by the repetition of negative examples.

The United States Jaycees are tired of those who daily condemn our society as deteriorating!

The time is now for the sleeping giant of public "Pride" and positive individual participation to awaken.

Unite with the United States Jaycees in rekindling our "Pride In America"—the key is you!

Adopted: February 16, 1974.

CASE FOR A FEDERAL OIL AND GAS CORPORATION—NO. 6

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. HARRINGTON. Mr. Speaker, an article appeared in the March 2 issue of the Lawrence Mass. Eagle Tribune which pointed out a few of the consequences the environment may suffer as a result of our inadequate attempts to alleviate the energy shortage.

For example, many have suggested that a possible measure to ease the shortage would be to allow power plants, which are now using oil and gas as their main fuel sources, to convert to coal. The American Public Health Association estimated that if 60 percent of the powerplants presently in operation converted to coal, a direct result would be 91,000 additional attacks of respiratory disease, and 3,800 deaths from these diseases.

Mr. Speaker, we must not allow the environment and the American people to suffer because of hasty decisions made during a time of crisis. We must take decisive action to alleviate this shortage, but the important priority of observing strict environmental standards must not be relegated to any lesser place of importance.

To provide increased supplies of oil and gas to the American consumer, I have introduced legislation to set up a Federal Oil and Gas Corporation. In addition, as I explained in my extension of remarks in the CONGRESSIONAL RECORD on February 28, this bill provides that all production methods and facilities must be operated and constructed in strict accordance with the National Environmental Policy Act of 1969 and that all directors of the Corporation's board must exhibit a "demonstrable belief in environment protection." Thus, the Corporations' high environmental standards would provide a model for the rest of the industry.

As we all realize, it is imperative that we employ measures to end the energy shortage and insure that future shortages will be avoided. But this must be done with due concern for the environment. I believe the Oil and Gas Corporation would help us strike the desired balance between our energy and environmental goals.

At this point, Mr. Speaker, I insert the Lawrence Eagle-Tribune article of March 2, 1974, in the RECORD:

ENVIRONMENT TO SUFFER MOST

(By Michael J. Conlon)

WASHINGTON.—The energy crisis has already altered life styles and shaken consumer complacency, but its biggest long-range impact may be on the environment.

It is too soon to say whether the result will be more bad than good, although some environmentalists are already talking about the end of this automobile-dominated society and hoping for an era in which hiking will rival highway building as a national priority.

In the meantime there are some immediate consequences of the energy situation which by themselves are not good. The most obvi-

ous of these is that the air, in a few sections of the country in particular, is on the way toward getting dirtier.

Specifically:

In January there were more than 550 requests to state environmental agencies from industries wanting to burn dirtier fuel than the 1970 Clean Air Act allows. These requests, if approved at the state level, will be sent to Washington. The requests are almost exclusively from industries on the East Coast—250 of them in Massachusetts alone—and most involved permission to burn industrial fuel oil with sulfur content higher than health limits permit.

The Environmental Protection Agency (EPA), as of January had approved five of the requests which had been passed up from the states. Two are in New York, two in Massachusetts and one in New Jersey. The air in those states and some others will not be as clean. Last winter the EPA approved seven such requests.

There is a strong move underway to let automobile makers delay exhaust control devices scheduled for new cars over the next few years, because antipollution modifications on cars turned out in the last few years have cut gas mileage. President Nixon wants the standards that will be applied to '75 model cars—those appearing in the showrooms next fall—to be extended to the '76 and '77 model years as well, instead of the tougher standards the law currently requires.

A thriving business has developed in some parts of the country by garages that remove pollution control devices from cars and thereby improve gas mileage. The EPA admits it can be done by highly trained experts, but doubts the average shop would know enough to measurably affect fuel economy. It is illegal for a dealer to dismantle the devices but legal for anyone else.

Congress came very close to passing late last year, and is still considering, legislation that would lift air pollution requirements through 1979 for power plants that switch back to coal. Some environmentalists fear that millions of tons of high sulfur coal, now a glut on the market because it is too dirty to burn, will be fed into furnaces in the East during the next few years if that proposal became law.

After months of work the EPA completely scrapped proposals to tax automobile commuters in Boston, Newark, N.J., Washington, D.C., and parts of California in order to discourage driving and help clean up the air. The commuter taxes were an indirect casualty of the energy crisis because legislation to outlaw them had been proposed as a part, though an extraneous one, of energy emergency legislation.

The EPA contends it is almost impossible to know how much dirtier the air is now than it would have been without the energy crisis, but officials have no doubt there are changes occurring.

NORTH MYRTLE BEACH TIMES

HON. EDWARD YOUNG

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. YOUNG of South Carolina. Mr. Speaker, in the Sixth Congressional District of South Carolina, we are fortunate in having a number of newspapers, radio and television stations who do an outstanding job of keeping the public informed as to what is happening in government, at the National, State, and local level.

One of the newest of these papers has

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recently observed its third anniversary and I believe that the publisher of this paper deserves special plaudits for what she has meant to the people of her area.

The paper is the North Myrtle Beach Times of North Myrtle Beach, S.C., a weekly publication, and I would like to salute Ms. Polly Lowman for the accomplishments of her paper and for her many personal contributions to the area her paper serves.

FAMILY ASSISTANCE PLAN WOULD WORSEN WELFARE MESS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. ASHBROOK. Mr. Speaker, in the January 25 issue of the CONGRESSIONAL RECORD, I stated that it would be a serious mistake for President Nixon to resurrect his radical and thoroughly discredited family assistance plan.

This guaranteed annual income measure would lead to a substantial increase in welfare coverage and welfare benefits. As an editorial in the January 25 issue of the Arizona Republic warns, Nixon's revived family assistance plan, "should cause American taxpayers to reach protectively for their wallets."

Following is the text of the Arizona editorial:

Reports that the Nixon administration is prepared to have another go at 'welfare reform' with a third revision of the family assistance plan should cause American taxpayers to reach protectively for their wallets.

Every suggested 'reform' which has come down the pike in recent years, including the original version of FAP, would make the welfare mess considerably worse than it already is. The common feature of these proposals is to expand the coverage of welfare in some fashion and to increase the scope of federal participation.

And these are precisely the ingredients which created the problem in the first place.

By the most liberal official estimates, the number of poor people in this country declined from about 40 million in 1960 to approximately 25 million in 1970. Yet in the same span the number of people on welfare doubled—from 7 million to 14 million.

This development is treated in most of the welfare literature as an inscrutable mystery, but there is really nothing mysterious about it. The simple truth of the matter is that welfare benefits have been raised to such a level that for many people it is more rewarding to go on welfare than to work.

The point is made by Henry J. Aaron in a study for the Brookings Institution. Aaron shows that the interlock of public assistance, food stamps, Medicaid, and subsidized housing provides an array of benefits that would be jeopardized by accepting consistently gainful employment.

Indeed, because the money earned by working would cause a loss of benefits and would also be subject to taxes it is possible to have greater income on welfare than by holding down a steady job.

Such problems have become acute in liberal jurisdictions where welfare outlays are especially generous. The problem will be corrected only when the liberal states cut back on welfare generosity, and this will be accomplished only when they bear the full brunt of their own policies.

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If New York taxpayers have to pay for their own welfare population, we may be certain the situation will be corrected in a hurry.

NATIONAL ELDERLY AND HANDICAPPED HOUSING LOAN FUND

HON. LINDY BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mrs. BOGGS. Mr. Speaker, today I have introduced H.R. 13301, a bill to establish a trust fund in the Treasury of the United States to be known as the National Elderly and Handicapped Housing Loan Fund, and for other purposes.

For several years Federal Government programs have pursued a policy of enticing private interests to work hand in hand with public agencies for the common good of all. This is true particularly in the area of housing construction for low- and moderate-income families and for the indigent elderly. It also has been true in the field of nursing home construction.

Across the Nation the call was answered as churches and other charitable organizations rose to witness their concern for the needs of their fellow man. Nonprofit housing corporations sprang up and, with the assistance of direct grants and long-term, low-interest loans from the Federal Government, hundreds of thousands of units for low- and middle-income families and elderly soon got underway. In my own District, the Roman Catholic Archdiocese of New Orleans and the Greater N.O. Federation of Churches has been especially active in the field. Through swift action and the appropriation of seed money of its own, the Archdiocese in just a few years has utilized governmental programs to construct 637 townhouses and apartments at a total cost of approximately \$11,000,000. Nearly two-thirds of these units have been for elderly citizens, 62 years of age and over. The Archdiocese also has made its building plans and administrative techniques available to other non-profit groups which expressed interest in entering the field. The Greater New Orleans Federation of Churches in New Orleans now has its own housing corporation. Other groups also have been incorporated. It appeared—until recently—that the beginning of a significant movement to relieve a critical shortage of decent housing was underway.

But the initiative now has been stymied by the freeze of Federal funds in the form of grants and loans. The very agency which induced private enterprise to become involved has now withdrawn the tools with which to work.

In my district alone, many charitable and other private organizations have the manpower and expertise to move forward with significant building programs for families and elderly persons. Just this past year, the New Orleans Archdiocese

embarked on a \$4.4 million capital gifts program from all segments of the local community to provide an additional 1,042 residential units and nursing home beds for the elderly. Total cost of the five-part program will run \$21,700,000 of which \$11,400,000 will be needed in the form of low interest, Government loans. If the Federal Government does not reinstate its policy of low-interest loans for such construction, this and other programs similar to it across the Nation will collapse.

The monumental task of providing sufficient housing and nursing care facilities for the elderly in this country is now before us. For more than any other reason this has come about because Americans are living longer. Improvements in medical knowledge and technology, education, nutrition, and sanitation are obvious factors in extended life expectancy. At the beginning of this century only about 3 million American were 65 years of age or older. The average life expectancy was then 50 years. By 1940 there were about 9 million elderly citizens in the United States; in 1950, 12 million and in 1960, 16 million. Today there are more than 200 million Americans—some 10 percent of the total population—who are 65 or older. The average life expectancy has surpassed 70 years and is heading steadily toward 80. It is predicted that by the end of this century, when all surviving Americans now 39 or older will be 65 years or above, there will be 30 million elderly persons in the United States.

Lack of money is a painful parallel problem for many people struggling under an accumulation of years. In January of 1973, the Special Committee on Aging of the U.S. Senate disclosed that about 3.1 million elderly Americans—one in six of those 65 and older—were living below the Government-defined poverty line—\$2,100 per year for an individual and \$2,640 for a couple. An additional 2 million, it was estimated, also would be in that category if the families with which they lived were not above the poverty line. This is true despite an increase of 52 percent in social security payments since 1969. Their ability to earn money completely or substantially gone, their fixed, ongoing income ravaged by inflation, their modest savings necessarily allocated only to the most essential needs, millions of elderly persons find themselves in grave financial situations which social security and governmental welfare and medical care payments only partially alleviate.

A report of The National Council on Aging, Inc. says:

It is not surprising, that the aged members of our society demonstrate a greater individuality and heterogeneity than any other population group. They have all accumulated numerous, diverse experiences in the course of their long lifetimes. They have all spent many years forming their own distinct lifestyles and attitudes. Together they span the full educational and economic spectrum, yet it is tragic that many of them are poor or becoming poor as they grow older.

Increasing the income of the elderly was among the highest priority of subjects discussed at the White House Con-

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ference on Aging in 1971. But, as it has been observed, this would solve only a part of the total complex problem. Medicare and medicaid have assisted dramatically in providing health care for the elderly, but even such massive programs as these cannot be expected to do the whole job. U.S. Government statistics show that of the 19 million older people not institutionalized, some 20 percent—or almost 4 million—were either confined to their houses or needed help to get about. Many of these Americans, more to their own dismay than to anyone else's, have become burdens to their families and friends. Many also are not receiving the medical treatment for chronic as well as acute conditions which might be considered not only desirable but necessary. Pain and discomfort which might be at least partially lifted from them become unremitting ordeals and, in a number of cases, contribute to serious psychological difficulties.

The shortage of nursing home beds nationwide is rapidly becoming acute. Long waiting lists are the rule at most of the better residences which provide care for the elderly. It also can be argued that if there were more and better institutions, the number of applications would be considerably greater. The stigma attached to "old folks homes"—which in some cases have been nothing more than that, with no provision for comprehensive care—has not yet been eradicated. But more and more, the efficiently, professionally operated, modern residential and nursing homes are providing the elderly with the services they require for spending their last years with minimal pain and worry.

In Louisiana, for example, between 1962 and 1966, the number of homes offering skilled and immediate nursing care increased significantly. But since that time there has been a distinct leveling off. During 1972 and 1973 in New Orleans alone, several financially pressed institutions found it impossible to meet U.S. Department of Health, Education, and Welfare standards to continue to qualify as nursing homes. Since New Orleans has only one-half the statewide average of nursing home beds per aged person, attempts were made to relocate these residents in homes in other parts of the State. These attempts were less than successful because of overcrowding and long waiting lists at other homes in Louisiana.

The need is great not only in my district but in every section of our State and our Nation. Private organizations stand ready to continue their partnership with the Federal Government in an area of social concern which is growing more desperate every day. Unless we reinstate and expand our programs to make available to private enterprise the funds they need to construct residential and nursing care facilities for the aged, the Government will be forced to travel the road alone. Should this happen, the Government will be forced to provide not only the funds but the manpower to get the job done. Since these projects then would become Government-owned and operated, there would be no return to the Government in the form of repaid loans

which previously were made to private groups.

Housing experts employed by such private organizations will not stand idle while the Government ponders the future. They will, of necessity, move to other fields of endeavor and new persons will have to be trained if and when the Government renews its partnership with church bodies and private groups to provide housing for our elderly citizens. Employment and training of new persons will cause undue delay in providing quality residential and nursing home facilities—facilities which are needed desperately today.

In urging that we take immediate steps to promote programs which would provide new funds for low-interest loans for residential and nursing homes for the elderly and for other housing which is needed by low-income families, I invite your support of this greatly needed legislation. I am grateful to our able colleague in the Senate from New Jersey, HARRISON WILLIAMS, for the text of this legislation, which follows:

H.R. 13301

A bill to establish a trust fund in the Treasury of the United States to be known as the National Elderly and Handicapped Housing Loan Fund, and for other purposes
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ELDERLY HOUSING AUTHORIZATION

SECTION 1. Section 202(a)(4) of the Housing Act of 1959 is amended by striking out the first sentence thereof and inserting the following: "There is authorized to be appropriated for the purposes of this section not to exceed \$51,500,000.00."

ELDERLY AND HANDICAPPED HOUSING LOAN FUND

SEC. 2. Section 202 of the Housing Act of 1959 is amended by adding at the end thereof:

"(f)(1) There is established in the Treasury of the United States a trust fund to be known as the National Elderly and Handicapped Housing Loan Fund (hereinafter in this subsection referred to as the "fund"). The fund shall consist of—

"(A) amounts repaid by borrowers as principal and interest on loans from the fund;

"(B) proceeds credited to the fund under paragraph (3);

"(C) appropriations to the fund under paragraph (4);

"(D) all amounts repaid by borrowers as principal and interest on loans from the revolving fund established under subsection (a)(4); and

"(E) any amounts contained in the revolving fund established under subsection (a)(4) which are not committed on the date of enactment of this subsection; and

"(F) receipts from any other source. All receipts, funds, or other assets and all liabilities of the revolving fund established under subsection (a)(4) (including liabilities arising under loans made under such subsection) shall become and be assets and liabilities of the fund established pursuant to this subsection, as if such assets and liabilities had been received or incurred pursuant to this subsection, and shall be paid over, held, and accounted for accordingly.

"(2) Amounts in the fund shall be available to the Secretary for the purpose of making loans under this section. The aggregate loans made under this section in any fiscal year shall not exceed the limits on such lending authority established in the annual appropriations Act for such fiscal year.

"(3) To carry out the purposes of this

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subsection, the Secretary is authorized to issue to the Secretary of the Treasury notes or other obligations in an aggregate amount of not to exceed \$_____, in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as debt transactions of the United States.

"(4) There is authorized to be appropriated to the fund in each fiscal year a sum equal to the difference between the amount of interest paid on obligations issued under paragraph (3) and the amount of interest paid on loans made from the fund. Except in the case of sums appropriated under this subsection, the receipts and disbursements of the fund shall not be included in the total of the budget of the United States Government and shall be exempt from any limitation on annual expenditure or net lending.

"(5) To the maximum extent practicable, the Secretary shall use the services and facilities of the private mortgage industry in servicing mortgage loans made under this section."

FAITH IN THE SYSTEM

HON. HENRY P. SMITH III

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. SMITH of New York. Mr. Speaker, I am sure all of my colleagues have received letters from constituents who say they just do not believe in our Government any more. In the face of this growing and tragic trend, I found an editorial aired last month by WGR-TV and Radio in Buffalo very inspirational and I believe it represents an attitude more of us should assume. The editorial follows:

FAITH IN THE SYSTEM

In the past few weeks many of us have become nervous hand-wringers. Common answers to questions about the times are, "I just don't know" and "You can't believe anything anymore."

Maybe your faith in individuals has been shaken; have faith in the system. To those who answer "I just don't know" we say you do know. You know who you are; you know who represents and speaks for you in government. Speak to him. You know who the local leaders are. Speak to them. You know that our government has suffered through crises before; you know we will survive this one.

To those who say, "You can't believe anything anymore," we say believe first in your-

self. Believe in your God. Believe in our country and its system . . . the survivor of wars . . . the survivor of assassinations . . . survivor of scandals, survivor of a thousand crises.

The system has not let us down yet. We get stronger. We'll celebrate 200 years of that strength in 1976.

OSCAR STRACKBEIN WARNS OF THE DANGERS INHERENT IN EXCESSES BY THE NEWS MEDIA

HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. FISHER. Mr. Speaker, in this day of emotionalism and lack of restraint on the part of some elements of the news media, as related to the impeachment issue, it is imperative that we approach this matter in a purely unbiased and objective manner. With that in mind I include as a part of my remarks a timely and scholarly letter written by Oscar Strackbein to Mr. James Reston of the New York Times. Considering the grave implications involved in impeachment proceedings directed at any President, Mr. Strackbein's message should be read by every Member of the Congress.

The letter follows:

OSCAR ROBERT STRACKBEIN,
January 7, 1974.

Mr. JAMES RESTON,
Vice President, *The New York Times*, Washington, D.C.

DEAR MR. RESTON: Your opinion as expressed in your column "Mr. Nixon's Last 1,000 Days", January 2, 1974, represents a mixture of intuitive appraisal, personal opinion, and global as well as specific political interpretation that in turn is based on your individual observation of events. Possibly a desire to be true to the editorial policy of the newspaper that employs you, also played its part. The latter, i.e., the Times' policy is, and has been irreconcilably anti-Nixon. Your effort to be fair, showing here and there, appears to be rooted in rather shallow soil. After all, loyalty to the boss is a virtue at times, is it not?

You open the door to Mr. Nixon's exit as if very little were at stake other than his own personal humiliation, which you say would "obviously be bad for Mr. Nixon". You say, "but if he were to go quietly, the Administration would remain in place", etc. I do not know by what logic you arrive at the conclusion that he would go quietly, even if he himself did not raise his voice.

I think there is much more at stake here than you seem to sense. For one thing neither the partisan nor media opposition to Mr. Nixon is in a position to catapult a thousand clean stones into Mr. Nixon's camp. This aspect of the controversy, which is to say the superior moral posture, is probably the most outrageous of all the other aspects of the campaign in its disregard of the fairness doctrine. One does not have to defend the sins of the Administration to feel outraged at the absurdly biased character of the attack.

You say trust is "the first article in the political contract and essential to the moral authority of the Presidency". I trust that you are not going back to Rousseau, Montesquieu, Locke, and the other pioneers of democratic political thought, enlightening as they were (only to be upset by Bentham, John Stuart Mill, Comte and others, them-

selves not the last word), for to do so would land you in the marshes of ephemeral philosophical speculation.

You also state that "the foreign embassies in Washington and their governments are more concerned about the internal unity of America than about anything else"; but you provide no documentation for the assertion: an intuitive conclusion perhaps!

You follow this by saying that "once a President has lost the confidence of the electorate, resignation is not a bad but a good precedent". I do not know where you find the precedent since no President of the United States has resigned. You seem to be reaching for the parliamentary system of England, by mentioning parliamentary democracies. Fortunately or unfortunately we do not have that system. We do have a means of dealing with the question, and that is impeachment; but meantime the case has in effect been tried by a free-wheeling Senate committee and by the press and other media. Our capacity at self-government is being badly strained by the untidy approach being made to a very serious subject.

Your paragraph about "resignation or dismissal" as being something that "happens in all American institutions or parliamentary democracy when the chief executive fails" seems out of focus when you appear to equate the vacating of the office of the Presidency with the dismissal of a football coach, among other chief executives. I think you are dealing here in different dimensions—quite different. I do not think the point needs laboring.

There is indeed something at stake in the premises that neither you nor any of the eager columnar denigrators of Mr. Nixon appear to appreciate, if they are aware of it at all. This is the question of the function of the media in society as purveyors of news and opinion. The press, as far as any Constitutional function is concerned, has no mandate to conduct campaigns that reflect the particular political, social or religious philosophy of the owners.

Because of the wholly one-sided concentration of the means and powers of communication (so far as the private citizen is concerned) in the hands of the press and other media, we have in our midst the components of a contest as bitter and far-reaching as the contest between the Church and State a few centuries ago, and then the further contest between the monarchs and the rights of the people, so clearly delineated in the writings of Hobbes, Milton and Locke, and echoed by Thomas Paine and our Declaration of Independence.

The public today has no desire to fall under yet another dominance, possibly as bad as any (because it encompasses the source material necessary to the formulation of judgments on great and vital issues). The character of the attack on President Nixon provides an example of the potentials of a tyranny that a freedom-loving people cannot contemplate without deep misgivings and profound worry.

The power of the press has on its side a weaponry unmatched by anything other than that of the government, should the government seek to use its power; and we do not, I am sure, want to feed a temptation that might sprout in the minds of the people in reaction to abuse of the privilege of freedom of the press. As matters stand today powerful media elements seem to be straining to generate just such a temptation. Unrestrained power in the press is the same in its self-justification and disregard of legitimate complaint as in any other form of naked power.

The idea of popular sovereignty, which shaped our Constitution, demands that the people govern themselves through selected spokesmen under the restraint of controls retained in the hands of the people. Such sovereignty is not complete if a powerful source of influence over the people is left to

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its own devices without responsibility to the people. When this source of influence lies beyond the need to respond the cause of self-government is seriously flawed.

The present object of powerful elements of the press and other media, it appears, is to drive the President from office through the hypnotic power of orchestrated chants of hate, not all of it without a degree of justification.

However, should the campaign succeed the calamity would surpass by far anything of which the President and his Administration have yet been found guilty. It would be an act at once destructive of government of the people, by the people, for the people, while substituting therefor the will of the press and its allies. Thus would be subverted the very integrity of democratic government. The way would be opened to conversion of the voice of the people into the voice of the press.

The danger arises from the explicit and implicit intimidatory power inherent in the very force of publicity or the withholding of it. Not least in this power of intimidation is the freedom of the media to shape publicity at will to produce premeditated effects.

The whole climate so far as public officials, elected or appointed, or aspirants to office, including career politicians, are concerned is one that predisposes them to wariness. They proceed under justified fear of the press and will take care not to offend it lest they incur its ill-will.

They seek to avoid offending those elements of the press which they regard as necessary to their success, and therefore bow to the wishes of those sources of publicity. They do not wish above all to lay themselves open to the variety of attacks available to the owners of the means of publicity, such as vilification, denigration, consignment to oblivion, preferment of opponents through various means of favorable presentation by contrast, such as relative prominence and frequency of mention in the news, headline and position in the newspaper as means of reflecting favor or disfavor; and other well-known devices open to biased reporting.

The same wariness extends to other leaders, those in the private world. Otherwise the practice of public relations counseling and press agency would not have blossomed as they have—all with an eye on media acceptance and, possibly, manipulation.

Leaders of causes, private associations dedicated to the representation of private interests, be they economic, social, political or religious—all take care to trim their sails to the winds of publicity, concerned to curry the favor of the media and not to offend them. This represents a highly corruptive influence.

As the power of the media grows and expands, the media gain monopolistic power and can come to preside over the destiny of the country and its people. Awareness of this growing and unfenced power is moving rapidly, like a storm-front, into public consciousness; and the media would be well advised to give it heed. The campaign to drive Mr. Nixon out of office is the most eloquent example of journalistic practices that are not entitled to the protection of the highly valued protective injunction of the First Amendment. If it succeeds our democracy will have suffered an alarming defeat.

Be it noted in these premises that the expression of opinion is one thing, an activity that should indeed remain free. Carrying on an orchestrated campaign is something else. It represents an illegitimate activity under the umbrella of the First Amendment.

We have political parties, associations of a variety of interests for that purpose. The media are by way of elbowing their way into

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that function in an irresponsible role, having to report nothing of their expenditures and answering to no one for their motivation, source of income or identification of their interests.

I have long been a reader of your columns and quite surely have profited from them. I trust that you will receive this letter in the spirit in which it is written, critical, to be sure, but without malice.

Sincerely,

O. R. STRACKBEIN.

LOOKING FOR A SCAPEGOAT

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. MILFORD. Mr. Speaker, an editorial appeared February 24 in three of the papers in my district.

The eloquence of this article in stating the need for getting off the "witch hunt" of whom to blame for the present energy crisis, and getting on about the business of correcting the problem is of such a nature I think my colleagues should read it.

The editorial which appeared in the Sunday papers—Grand Prairie Daily News, Irving Daily News, and Richardson Daily News—urges a release of the hobble we have had on the petroleum industry.

The editorial follows:

LOOKING FOR A SCAPEGOAT

More than a decade ago, petroleum industry leaders began warning of a trend in national policies and laws, including public utility-type regulation of natural gas producers, that were certain to bring oil and natural gas shortages. Their warnings were disregarded as self-serving.

Now, in the panic over the energy crisis, the hunt is on for a scapegoat. The oil industry is blamed for contriving the shortage, although it has been blocked at every turn for the past several years in attempts to expand reserves and productive resources. Hundreds of miles of pipe at such places as Valdez, Alaska, has been rusting away for years while endless arguments over the environment raged in Congress and across the nation. Four years ago, politicians, the environmentalists and the public were deaf to warnings of impending shortages. Even today, the leaders of the witch-hunt for an energy scapegoat refuse to face the implacable facts of life. They have obscured the basic issues of how to cure the energy shortage in a smoke screen of controversy over oil company profits. They talk about putting government into the oil business. The confusion they raise tends to camouflage the truth that, as one energy authority observes, the industry's profits during the past 15 years have been insufficient to fill capital spending needs. Between 1970 and 1985, the oil industry, it is estimated, must spend an incredible \$1.3 trillion to meet projected demand, and about \$755 billion of this money must come from profits.

The atmosphere in which the oil industry is working today is tragic. Looking for a scapegoat for the petroleum shortage when all of us have had a hand in creating it is the ultimate example of a foolish waste of priceless time. The damage to the nation of public ignorance about one of America's great industries could be of critical proportions.

TAX ANALYSTS AND ADVOCATES CHALLENGE IRS RULING ON THE OIL COMPANIES' USE OF THE FOREIGN TAX CREDIT

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. VANIK. Mr. Speaker, the Ways and Means Committee is presently considering reforms in the tax treatment of oil industry income. At the center of these deliberations is the administration's windfall profits tax proposal. Despite all the testimony that we have heard on this legislation, it is clear that this proposal will do little to correct the tax injustice we now see.

The administration's tax plan offers only a weak-kneed approach to a serious problem. We will not achieve tax justice if we continue to try to putty over the gaping loopholes in our tax code with hastily conceived quick-fix proposals. The top priority in this reform must be a thorough examination of our tax treatment of the oil companies' foreign source income. Under our tax laws as they now stand, we have not only enabled the oil companies to eliminate virtually any U.S. tax liability on their foreign operations, we have also encouraged the continued outflow of investment dollars from the United States. In 1963 the largest oil companies spent over 70 percent of their exploration expenditures in the United States. By 1971 they were spending less than half in this country. These investments were geared primarily to develop foreign production for foreign markets, and they proved to be tremendously profitable. In the most recent financial data released by the companies, the profit bulge for most of the major oil companies came in their foreign operations. In short, our tax code has operated to stimulate oil company profits at the expense of the American consumer and taxpayer.

At the heart of the problem is the oil companies abuse of the foreign tax credit. The foreign tax credit has been a part of our tax laws since 1918. It is designed to provide "tax neutrality" for international investment considerations by preventing the double taxation of profits generated in one country by a company located in a second country. Recently, the Subcommittee on Multinational Corporations of the Senate Foreign Relations Committee documented how in the early 1950's the oil companies, representatives of the Treasury Department, and the oil-producing states reached an accommodation in defining oil company payments to the producing countries for the purpose of determining U.S. tax liabilities. The result: The producing countries increased their revenues; the oil companies decreased their U.S. tax payments; and the U.S. Treasury was left holding an empty bag.

An excellent review of the issues surrounding the tax credit controversy is contained in a recent petition filed with the Internal Revenue Service by the public interest group, Tax Analysts and Ad-

vocates. The petition seeks to revoke previous IRS revenue rulings which defined oil company payments to the producing countries as eligible for the computation of the foreign tax credit. The text of this petition follows:

TA/A PETITIONS TO BAR CREDIT FOR OIL
ROYALTY PAYMENTS

(By Ira L. Tannenbaum)

Tax Analysts and Advocates February 19 petitioned the Internal Revenue Service to revoke revenue rulings which permit American oil companies to credit against domestic income taxes payments to the major oil exporting nations. The payments, TA/A said, are in fact royalties and thus not creditable under States law. TA/A said the IRS also should issue regulations specifically barring a credit for such payments. Following is the text of the petition and the supporting evidence.

This petition is filed pursuant to Reg. Sec. 601.601 (c) of the Statement of Procedural Rules to revoke:

(1) Rev. Rul. 55-296, 1955-1 Cum. Bull. 386, which allows a foreign tax credit for Saudi Arabian "income taxes" imposed by the Royal Decrees of November 4 and December 27, 1950; and

(2) Rev. Rul. 68-552, 1968-2 Cum. Bull. 306, which allows a foreign tax credit for "income taxes" imposed under Article 14(1) (a) of Libyan Petroleum Law No. 25 of 1955, as amended through November 20, 1965.

In addition, all private unpublished rulings issued by the Internal Revenue Service should be revoked which allow foreign tax credits for similar purported "income taxes" imposed by other oil producing countries which, in fact, are pure or almost pure per barrel royalties, and are not bona fide income taxes.¹

This petition is filed because, as detailed in the following analysis, the current treatment of the taxes covered by these published and private rulings as creditable taxes is patently inconsistent with the explicit relevant language of the Internal Revenue Code.

In place of these published and private rulings, I urge the Internal Revenue Service to issue a regulation under Sections 901 and 903 of the Internal Revenue Code providing that amounts paid to foreign governments which constitute fixed or almost fixed charges per barrel of oil produced in these countries pursuant to concession agreements, are not creditable income taxes for purposes of either Section 901 or 903. As a result, credits would not be available for amounts currently paid in the guise of "income taxes" to the principal oil exporting members of the Organization of Petroleum Exporting Countries (OPEC), including at least Saudi Arabia, Iran, Kuwait, Iraq, Abu Dhabi, Qatar, Nigeria, Libya and Venezuela. (These nine countries shall be referred to hereafter in this memorandum as "the principal OPEC nations.") However, the proposed regulation would not deny foreign tax credits for amounts paid as bona fide income taxes imposed on net income derived from foreign petroleum production, such as those income taxes presently imposed by Canada and Australia, as well as the tax to be imposed on income earned from oil produced in Norway.²

The tremendous recent increases in the posted prices of crude oil will result in unprecedented billions of dollars of revenues being paid by U.S. oil companies to the principal OPEC nations in the guise of "income taxes" over the next few months. Since the continued creditability of these payments will result in the continued total nonpayment of income tax to the United States by the major U.S. oil companies on their for-

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eign source income, and since the current rulings are patently inconsistent with the relevant statutory requirements, it is respectfully requested that action on this petition be taken on an expedited basis.

I. STATUTORY FRAMEWORK

The relevant United States statutory framework can be summarized briefly. Section 901(b) of the Code allows qualifying United States taxpayers to claim a foreign tax credit for "the amount of any income, war profits, and excess profits taxes paid or accrued during the taxable year to any foreign country or to any possession of the United States."³ A credit against federal income taxes only can be taken for foreign income taxes paid; no credit is allowed for foreign taxes,⁴ excise taxes,⁵ turnover taxes,⁶ or royalties paid to a foreign government. All such taxes and royalties are treated, when appropriate, as ordinary business expenses and therefore can be deducted from gross income, rather than result in tax credits which can offset taxable income on a dollar-for-dollar basis.

Section 903 of the Code provides that "... the term 'income, war profits, and excess profits taxes' shall include a tax paid in lieu of a tax on income, war profits or excess profits otherwise generally imposed by any foreign country or by any possession of the United States." Prior to the enactment in 1942 of the predecessor of Section 903, allowance of foreign tax credits generally had been restricted to payment of foreign taxes which closely resembled the United States net income tax law. The legislative history of this provision states that it was enacted to make foreign tax credits available in the very limited set of circumstances where, "... a foreign country in imposing income taxation authorized, for reasons growing out of the administrative difficulties of determining net income or taxable basis within that country, a United States domestic corporation doing business in such country to pay a tax ... measured, for example, by gross income, gross sales or a number of units produced within the country . . .".⁷

II. BACKGROUND

According to the opening statement of Senator Frank Church, Chairman of the Senate Foreign Relations Subcommittee on Multinational Corporations, at the January 30, 1974 Subcommittee Hearing on International Oil Companies and United States Foreign Policy, the Treasury Department, in the summer of 1950, at the urging of the Department of State, agreed to treat payments denominated as "income taxes" and made to Middle East oil producing nations by United States oil companies as taxes qualifying for the foreign tax credit under Section 90.

As a result of this decision, a pattern developed pursuant to which the principal oil producing nations in the Middle East, North Africa and South America promulgated a series of formal income tax statutes which appeared to impose net income taxes on United States companies producing oil in these foreign nations. In 1955 and 1968, the Internal Revenue Service published rulings that the "income taxes" paid respectively to Saudi Arabia and Libya on oil production income, were creditable taxes.⁸ In addition, it is understood that in this post-1950 period, the IRS has issued numerous private, unpublished rulings to U.S. oil companies that payments denominated as income taxes made to the other principal OPEC nations also were creditable taxes under Section 901.

Whatever the merits and correctness of these rulings when they first were issued, it is evident that as important changes have occurred in the method of calculating the "tax" revenues due the principal OPEC nations, the nature of the payments has been transformed so that presently they clearly are not creditable taxes under either Section 901 or Section 903 of the Code.

Presently, amounts paid by United States oil companies to the principal OPEC nations are divided artificially into two categories—a relatively small amount denominated as a "royalty" and a larger amount denominated as an "income tax." The "royalty" payment is the number of barrels produced during the relevant period by a company holding a concession multiplied by a low percentage, generally 12-15% of the posted price for each barrel. The larger part, the "income tax," in general, is the number of barrels of oil produced by a company holding a concession multiplied by a per barrel cost equal to a fixed percentage (around 55-60%) of the posted price reduced by the per barrel production costs and the royalty payment.

The mechanics of the calculation of the OPEC government per barrel revenue is illustrated by the following example based upon the \$7.00 "government take" and \$11.65 posted price now in effect for the benchmark Persian Gulf crude produced in Saudi Arabia—Arabian light 34° API:

Per barrel
Posted price-----
\$11.651
Royalty-----
(1.46)
Production cost-----
(0.12)
Profit before tax-----
10.07
Tax at 55%-----
5.54
Government take (Royalty plus tax)-----
7.00
Tax paid cost-----
7.12
(*)

The posted price, which in some countries is called the "tax reference price," is an arbitrary value established by an oil producing nation for a barrel of this crude oil for the purpose of computing the revenues owed that country by the oil companies. For the past several years, posted prices have been set substantially in excess of the actual market price or market value of the crude oil, thereby resulting in payments by the oil companies far in excess of 55% or 60% of their actual net income from the production of the oil on which the payments are made.

Although some minor differences exist in the methods by which the principal OPEC nations calculate their "take," the systems are sufficiently similar for the purpose of determining the creditability of the "taxes" of these countries, as not to require differentiation in this petition.

The following partial text of a December 23, 1973 OPEC press release clearly shows how currently the Persian Gulf OPEC members first determine the precise amount of revenues they will receive in "royalties" and "taxes" under the various concession agreements to which they are parties, and then work backward to set the artificial posted price which will yield these precise per barrel revenues:

"Although the findings of the Economic Commission Board as well as direct sales realized by some of the Member Countries indicate a [current world market] price in excess of \$17 per barrel, the Ministerial Committee decided to set government take of \$7 per barrel for the market crude, Arabian Light 34° API. The relevant posted price for this crude will therefore be \$11.651 per barrel. The effective date for this posted price shall be January 1st, 1974 . . .".¹⁰

The \$7.00 rate enunciated in the communiqué is only for the benchmark 34° API Arabian light crude. Measured from this touchstone crude, the OPEC nations have established various oil fields and countries in the Persian Gulf.

It should be noted that if, in the example on the previous page, production company after tax profit per barrel of the benchmark crude is assumed to be \$0.50 (i.e., that each barrel of Arabian light crude can be sold for \$7.62 without taking shipping costs into account), the producing company would be

paying Saudi "income taxes" at a rate of over 91% of its taxable income, i.e., \$5.54 of tax on \$6.04 of pre-tax income (\$5.54 plus \$0.50).

The \$7.00 per barrel revenues are collected by the Saudi government on a monthly basis. Thus, any expenses which enter into the deductible production costs also must be calculated on a monthly basis. Although the Saudi Arabian tax statute applicable to oil production income appears to provide numerous deductions from gross income for items such as capital expenditures and other drilling and exploration costs, the deductions available for production costs apparently are so small compared to the total oil company income calculated on the posted price per barrel basis, that in the recent past, even substantial changes in the gross amount of such deductions would, at a maximum, only alter the deductible per barrel production costs by a negligible amount—a few pennies at most.¹¹

However, the language of the December 23, 1973 OPEC press release quoted earlier with respect to the announced \$7.00 per barrel Persian Gulf "government take" failed to mention any possibility that these governments would accept anything less than \$7.00 per barrel for oil taken under concession agreements. Yet such a result would occur if oil company production costs increased after the posted price was set, and such costs were allowed under local OPEC tax law to reduce taxable income, and therefore to reduce government take. Thus, the mandatory \$7.00 per barrel language strongly implies that the principal OPEC nations now will not allow unforeseen high production costs to reduce their receipts below the specified per barrel government revenues. This press release very likely may have signaled the elimination of the last remnants of the system which permitted production costs to even minimally affect the revenues paid the principal OPEC nations. In effect, the principal OPEC nation "income taxes" may have changed from almost fixed per barrel charges to pure fixed per barrel costs.

Since October 1973, posted price increases, such as the \$11.65 price set for Persian Gulf crude after January 1, 1974, have been made unilaterally by the principal OPEC nations without prior consent of the concession-holding Western oil companies.¹² This current practice of unilateral posted price increases was preceded by a period in which posted prices were determined by protracted negotiations between the OPEC nations and the international oil companies. The Libyan negotiations of 1970-71 apparently served as the prototype for other OPEC/oil company negotiations during 1970-1973. A recently released chronology of these Libyan negotiations¹³ indicates that different oil companies holding oil concessions within Libya each engaged in separate negotiations with the Libyan government. As a result of separate agreements, different concession holders paid taxes at different rates. For example, on December 28, 1970, while the prevailing rate of "tax" paid by oil companies in Libya was 54/55% of the posted price, Aquitaine still was paying "tax" at a 50% rate while Occidental Petroleum was paying "tax" at 58%. Certainly, imposition of "taxes" at different rates on similarly situated taxpayers is inconsistent with the application of true national income taxes; it is much more consistent with royalty negotiations.

FOOTNOTES

¹¹ For example, it is understood such a private ruling was issued on September 7, 1954, with respect to the tax imposed under Article 35 of the Iranian Income Tax Law of 1949.

¹² For example, Norway does not intend to use a posted price system for its forthcoming North Sea oil production, but will collect

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a normal royalty from foreign oil companies, and also impose a tax on their net production income determined by arm's length pricing at the same rate as that paid by all other corporations on Norwegian source income (50.6%). Petroleum Intelligence Weekly, July 30, 1973, at 4.

¹³ Section 902 enables a domestic corporation to take a credit for foreign income taxes paid by its controlled foreign subsidiaries, at the time the subsidiaries pay dividends to the parent corporation.

¹⁴ *Guantanamo & Western R.R.*, 31 T.C. 842 (1959).

¹⁵ *Keasbey & Mattison Co. & Rothensies*, 133 F. 2d 894 (1943), cert. denied, 320 U.S. 739 (1943).

¹⁶ *Eitington-Schild Co.*, 21 BTA 1163 (1931); Rev. Rul. 56-635, 1956-2 Cum. Bull. 501.

¹⁷ S. Rep. No. 1631, 77th Cong., 2d Sess. 131 (1942), 1942-2 Cum. Bull. 504. 602.

¹⁸ See p. 1 for citations to these rulings. Previously, in 1950, the IRS had published L.T. 4038, 1950-2 Cum. Bull. 54, which permitted taxes imposed on oil production income under Article 31, Chapter XI of the income tax law of Venezuela to be creditable taxes. However, this ruling was declared obsolete by Rev. Rul. 70-243, 1970-1 Cum. Bull. 282.

¹⁹ Petroleum Intelligence Weekly, January 14, 1974, at 6.

²⁰ Middle East Economic Survey, December 28, 1973, at 3a.

²¹ See Adelman, M. A., *The World Petroleum Market* 210 (1972).

²² Petroleum Intelligence Weekly, December 24, 1973, at 1-2.

NO BREADLINES FOR BEAN SOUP

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. GAYDOS. Mr. Speaker, it is with heavy heart I inform some of my colleagues that in the near future they may be deprived of one of the benefits of serving in the Congress of the United States. That famous delicacy on the cafeteria menu—bean soup—may be on its way out.

According to a report accredited to the Bureau of Labor Statistics, beans are in danger of becoming extinct as a common food because of cost. Beans are in the same bag as bread and beef. They are endangered by the Nation's present era of emergencies.

BOL notes that in 1 year the price of beans climbed high on the stalk of inflation. A 1-pound bag which sold for 25.7 cents on the average in retail stores last year now sells for 57.2 cents. And, the Department of Agriculture expects the effect of beans in the Nation's diet will worsen before new harvests are ready.

For the first time, the Department has rejected all offers by vendors to sell dry beans to the Federal Government for donation to various programs. It has admitted it cannot afford to buy beans to give to poor people. My colleagues, who enjoy bean soup will not be able to stand in breadlines to get it.

Mr. Speaker, under the circumstances and in light of the season, may I suggest they will find spiritual solace, at least, by giving bean soup up for Lent.

NEW FORMULA WILL DEPRIVE NEEDY COMMUNITIES OF MAN-POWER MONEY

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. OBEY. Mr. Speaker, last December, the Congress passed the Comprehensive Employment and Training Act of 1973. Title I of the act established manpower revenue sharing and title II created a public service employment program—PEP—to assist localities with high levels of unemployment.

Because of new methods of determining allocation of funds now being considered by the Department of Labor, much of the money under these programs may not be distributed in an equitable fashion and some of the people who need this assistance the most may be left out altogether. The States of Massachusetts, New Jersey, and Wisconsin, for instance, will receive drastic reductions in manpower moneys as a result of these new methods, and any community in the country which has substantial seasonal employment in tourism or agriculture is likely to receive less money than it should.

The law requires that 37.5 percent of the manpower training money be allocated to States on the basis of their unemployment rate and that virtually all of the public employment money be allocated to local units of government with unemployment rates of more than 6.5 percent on the basis of the estimated number of unemployed in such localities.

In short, unemployment estimates are important in the allocation of manpower revenue sharing money and crucial to the allocation of public employment money.

These estimates are calculated by the Bureau of Labor Statistics—BLS—by two separate methods. The first is used to determine the national rate and consists of a monthly 50,000 household national survey. It is something like a giant Gallup poll. The cost of using surveys in each locality across the country to determine local unemployment rates has been considered prohibitive and in 1960 the Bureau of Labor Statistics developed a different method of estimating local rates by taking the number of people in any given community who are receiving unemployment compensation and adding to it various amounts based on a complex 70-step formula. The 70 steps attempt to estimate the number of workers in a given community who are unemployed but who are not covered by unemployment compensation.

A simplified rule of thumb is that there is about 2 percent more unemployment than is represented by those drawing unemployment compensation. The 70-step formula tries to estimate that figure a little more scientifically.

There are obvious drawbacks, however, in the accuracy of this type of estimate. States with liberal unemployment laws tend to have inflated figures. States with stricter laws tend to underestimate unemployment. Areas with

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large numbers of agricultural and self-employed workers have far more unemployed not covered by unemployment compensation than the 70-step formula allows for as do areas plagued by persistent long-term unemployment where even those workers who were once covered by unemployment insurance have since had their benefits run out.

Several years ago, the Department of Labor and the Office of Management and Budget directed the Bureau of Labor Statistics to come up with a more accurate method of estimating unemployment on the State and local level.

Although I think an honest effort was made, the end result is worse than the original problem, especially for purposes of distributing PEP money.

The Bureau of Labor Statistics began by taking figures from the 50,000 household national survey—which had never been intended for any use except providing nationwide statistics—and dividing the respondents up by State. In 31 States BLS decided that the number of respondents was too small to provide any information whatever.

BLS, however, felt that it had adequate information to make unemployment estimates in the 19 largest States and in 30 metropolitan areas—mostly within those 19 States. The sample was so small in many of these 19 States, however, that the margin of error in estimating unemployment was 12 to 15 percent, according to BLS. In 30 metropolitan areas BLS decided to substitute survey figures for the 70-step figures altogether. In 7 of the 19 States BLS found the 70-step figures to be consistently different from the survey figures on a statewide basis.

Since BLS had no real data from the survey about unemployment rates within any given locality in a State outside of a major metropolitan area they had to make a critical and I believe inaccurate assumption in order to apply the statewide information to any given locality. The assumption was that 70-step estimates of local unemployment were inaccurate by the same ratio in all communities within a given State.

On the basis of that assumption the unemployment figure for each county in the State was added to or subtracted from by a flat percentage according to the degree of difference between the statewide 70-step estimate and the statewide survey estimate.

This cut applied to suburban communities where an overwhelming portion of the labor force was employed by large manufacturing concerns and almost everybody was covered by unemployment insurance and it applied to small rural counties where there were few jobs and even fewer that were covered by unemployment insurance. Since the BLS survey statistics indicate that the accuracy of the 70-step figures vary from one State to another, it would seem to me that it is really more logical to assume that the accuracy also varies within States than to assume the ratio of error is uniform.

An example of the inequities which

this methodology will create if implemented in my own State of Wisconsin. The initial BLS directive required comparison of 1972 statewide 70-step estimates with BLS survey estimates from Wisconsin. The 70-step method estimated 16 percent more unemployment than the survey and BLS ordered a 16-percent cut in unemployment figures for each county in the State.

While most of Wisconsin has enjoyed relatively low unemployment and considerable economic growth in recent years, the extreme northern part of the State has continued to have severe economic problems. The region has been the target of the Upper Great Lakes Regional Development Commission, because the Congress has recognized that this area faces far more difficult employment problems than those found in most American communities.

Seventeen of these counties had an average rate of unemployment for 1973 of over 6.5 percent, the level required by law to qualify for public employment funds. Several counties had unemployment of over 10 percent. In short, this was precisely the kind of area of persistent high unemployment which the Congress had in mind when it passed the public employment program.

Further, these are the kinds of counties in which economists will tell you that the true unemployment problem is underestimated. A relatively small portion of the labor force is covered by unemployment insurance and long-term high unemployment would have caused benefits to lapse for many of the workers who had been covered and discouraged others from actively seeking employment.

Yet, because statewide estimates were believed to be inflated, the rates for these counties were cut 16 percent along with the rest of the State. Furthermore, the Department of Labor is, as of now, planning to use seasonally unadjusted, summer and fall employment statistics, a period during which unemployment drops briefly, because of seasonal jobs in tourism and agriculture. The end result was that none of those 17 counties qualified for public employment funds. Other States will be facing the same inequity.

Now the Department of Labor is planning to use 1973 figures. Interestingly enough, the rate which BLS believes unemployment has been overestimated, on the basis of a 1973 comparison of national survey and 70-step figures, drops to 7 percent in Wisconsin. This is probably explained by the fact that the survey has a 12- to 15-percent margin of error. The Department of Labor is also planning to use more recent months in the base period for determining the level of unemployment.

The 9-point reduction in the amount rates are to be cut for Wisconsin, coupled with the extension of the base period, has improved the situation in Wisconsin somewhat for this year. But the basic inequities of this methodology remain.

A manpower task force of the National Governor's Conference has described the methodology as:

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- (a) Not adequately developed or refined to be used in eligibility determination process;
- (b) Not being applied on a statistically reliable basis; and
- (c) Not being applied on a compatible basis for all potential jurisdictions in the nation.

I think that our experience in Wisconsin shows that those criticisms are accurate. The public employment program was designed to deal with specific local conditions. It makes no sense to use a statistical method which handles every area of the State in the same manner. While seeking ways of providing more accurate labor market information is an important and worthwhile activity for the Department of Labor, new methods should not be implemented for determining the allocation of Federal money until reasonable reassurances can be given that the new methods will provide for a more equitable distribution than the old.

I urge all Members of Congress and particularly those from areas most directly affected, to join me in expressing dissatisfaction with the Department of Labor's intention to implement this methodology and contact the Secretary of Labor to urge him to abandon such changes in the computation of employment data until it can be demonstrated that those changes will more accurately and fairly reflect the unemployment problems of all communities.

11500 BANANAS ON PIKE'S PEAK

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. HOSMER. Mr. Speaker, if you want to get cold in the winter and hot in the summer, because coal to power furnaces and air-conditioners is short, you can easily reach this objective by voting for H.R. 11500, mislabeled as a bill to regulate the surface mining of coal. Actually, it is a vehicle to achieve the cherished dreams of the most hard-nosed environmentalists who want to abolish strip mining. If any coal is dug under H.R. 11500, it would be little short of a miracle.

For instance, H.R. 11500 would give all existing surface coal mining operations only 90 days to comply with impossibly strict regulations which would demand that countless operators completely revise their mining plans. Many would have to buy much new equipment which cannot be delivered that soon or for a long time after. H.R. 11500 will not turn the coal industry around. It will turn it off. And, along with it, turn off the lights in parts of America.

That makes about as much sense as trying to grow bananas on Pike's Peak. H.R. 11500 should be replaced by a measure which regulates strip mining effectively, requires reclamation of the mined land, but lets the needed energy resource beneath be removed to power America's energy-dependent society.

REVOLUTION A LA SOLZHENITSYN

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. HUBER. Mr. Speaker, Solzhenitsyn has recently called upon the Soviet Government to do the unspeakable—abandon communism. Now would that not be a blessing if we could deal with Russia as a nation state instead of a revolutionary cause bent upon subversion of every existing non-Communist government? Russia, as a nation state, could afford to grant real autonomy or even independence to the many nationalities that have been forcibly incorporated into the Soviet Union since Lenin took over. In my view, Solzhenitsyn has an important message for all of us. The story from the Washington Star-News follows:

REVOLUTION A LA SOLZHENITSYN

NEW YORK.—Alexander I. Solzhenitsyn, the Russian dissident writer, has addressed a long letter to the Soviet leaders, asking them to abandon communism as an alien, unworkable political philosophy, dismantle the Soviet Union and focus on developing Russia proper as a separate state.

The author's 15,000-word proposal of national priorities also urges a halt in the headlong rush into an urbanized, industrial society and a return to the traditional Russian rural way of life, including more settlement of the vast empty reaches of Northern Russia and Siberia.

Solzhenitsyn regards such a radical change in course over the next 10 to 30 years as the only way of instilling a new idealism in cynical youths and of averting what he views as two impending disasters: War with China and the collapse of Russian civilization, together with that of the West, in a polluted environment.

The sweeping proposals, reflecting the writer's penchant for Russian nationalistic values and his distaste for the big noisy cities and other attributes of the modern age, are dated last Sept. 5.

After several months had passed without a reply "or even the hint of one" from the authorities, the author states in a foreword, he decided to make his statement public.

But Solzhenitsyn, after his expulsion from the Soviet Union on Feb. 13, decided to make a number of changes in the original letter for publication in the West. The nature of the revisions could not be ascertained immediately. The modified text is scheduled to be published in English today by the Sunday Times of London and the Russian tomorrow by YMCA-Press, a Paris publishing house.

There was no explanation of why the author found it necessary to change the wording of a message that was already in the hands of the Soviet government in its original form. This article is based on the original version.

Solzhenitsyn's ambitious proposals for remaking Russia as a nation after more than half a century of Communist rule recalled another statement of similar sweep, issued in 1968 by Andrei D. Sakharov, the physicist and dissident leader, in the book "Progress, Coexistence and Intellectual Freedom."

But while Sakharov saw the salvation of the world from nuclear war, pollution, overpopulation and starvation in a "convergence" between the Soviet Union and the

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West, particularly the United States, Solzhenitsyn would have Russia turn away from the West and look inward for a solution of her problems.

The novelist says that "some of the practical proposals in this letter may cause surprise" and that "they are being put forward with little hope—but not with none."

He sees reason for hope, for example, in the "Khrushchev miracle" of 1955; 56 when, after the death of Stalin, millions of innocent prisoners—Solzhenitsyn has put the figure as high as 12 million—were released from the vast network of labor camps described in "The Gulag Archipelago, 1918-1956," the author's latest book.

Alluding to Nikita S. Khrushchev's de-Stalinization program as giving rise to "the ragged beginnings of a humane code of law," Solzhenitsyn writes:

"This culmination of Khrushchev's activity goes far beyond the political steps he was obliged to take. In its essence, it was hostile to Communist ideology and incompatible with it (which is why it was so hurriedly rejected and systematically abandoned). His reforms were undoubtedly governed by genuine emotion, by penitence and open-heartedness.

"If mercy can once gleam where it seemed ruled out forever, it may yet be repeated. To rule out such a possibility would mean totally shutting the door on any hope for a peaceful evolution of our country."

Solzhenitsyn addresses the leaders of the Soviet Union as Russians, "which almost all of you are by birth," affirming his sense of Russian nationalism in the face of the many other ethnic groups that inhabit the Soviet Union.

"I wish all peoples well," he declares, "and the nearer they are and the more they depend on us, the more so. But what I am chiefly concerned with is the fate of precisely the Russian people, not only because, as the proverb has it, home is where the heart is, but even more deeply because of the unparalleled sufferings Russians have undergone."

The 55-year-old writer declares that he felt entitled to advance his ideas "to the extent that my name has assumed a certain weight in our country and abroad." He says that the letter might never have been written if one or more of the Soviet leaders "out of pure curiosity" had taken a few hours for a private chat to find out what made the author so opposed to the Communist regime and its policies.

MAUDIE D. CUMMINGS

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mrs. BURKE of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

RESOLUTION

Whereas, Maudie D. Cummings has been selected for the signal honor of Woman of the Year by Zeta Phi Beta Sorority, and;

Whereas, Maudie D. Cummings has served her community in innumerable ways as a social worker for Los Angeles County as Founder and President of Women for Good Government, and with many clubs and philanthropic organizations, and;

Whereas, Maudie D. Cummings was recently appointed to the sensitive position of Commissioner for the Los Angeles City Hu-

man Relations Commission where she will continue her work in the resolution of young people's problems.

Therefore, be it known this 2nd day of March 1974 that we are in recognition of the dedicated and selfless service given to the community by Maudie D. Cummings, and further direct that this commendation be entered into the Congressional Record.

ESTONIA CELEBRATES INDEPENDENCE

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. SARASIN. Mr. Speaker, on Sunday, February 24, I joined with Estonian-Americans across this Nation in remembering the 56th anniversary of the independence of the Republic of Estonia. On this date in 1918 the hearty people of Estonia successfully achieved their independence from the Soviet Union. Previously having been subjected to the rule of various powers for nearly 700 years, the people of Estonia are to be commended for their steadfast desire for independence.

Estonian independence was born out of the confusion and terror accompanying World War I. Eleven days after the Armistice bringing an end to the war, Estonia was ruthlessly invaded by the Soviet Union. Together with a single British naval squadron, the courageous people of Estonia successfully defended their homeland and by the end of January 1919 little reminder of Soviet rule remained. The Soviet Union signed the Brest-Litovsk Treaty on March 3, 1918, and granted official recognition of Estonian independence by signing the Treaty of Tartu in February 1920.

The people of Estonia were further subjected to oppressive rule when in World War II the Soviet Union and Nazi Germany divided Poland. A treaty with the Soviet Union permitting the establishment of Russian military bases and the stationing of Russian troops was forced upon the defenseless Estonians. By 1940, Estonia was once again under the tyrannical rule of the Communists.

The Estonian people today are characterized by their yearning for freedom and adamant desire for self-betterment. Collections of their folklore, among the richest in the world, can be found in the Folklore Archives in the university city of Tartu. A particular feature of Estonian national culture is the huge singing festival traditionally held every 5 years. Therefore, I am honored to pay tribute to the proud citizens of Estonia in their undying efforts to free themselves completely from Soviet rule. Their culture and art are testaments to their heritage but more importantly, their perseverance is a virtue through which we can all share in the hope that the people of Estonia will realize the freedom they so richly deserve.

EDWIN C. WHITEHEAD: CONNECTICUT JAYCEES FARMER OF THE YEAR

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mrs. GRASSO. Mr. Speaker, Edwin C. Whitehead, a fourth generation dairy farmer from Washington, Conn., and this year's winner of the Connecticut Jaycees Farmer of the Year Award, exemplifies those qualities that have made the American farmer such an important force in today's world.

In a society where the 9-to-5 day is often the rule, Mr. Whitehead rises at 4:30 a.m. to tend to his milking, so that the people of Connecticut and surrounding States can have fresh, wholesome dairy products to eat.

Farming has changed considerably since the days of Edwin's father, his grandfather, and his great-grandfather, but the dedication to basic American ideals and the commitment to the welfare of the community and its people are as important in Edwin's experience as they were in the days of his forebears.

Farming is still hard work, and rising costs for necessary commodities have seriously threatened the livelihood of some farmers, putting many out of business in the past few years. Yet, fortunately for Connecticut residents, Edwin Whitehead continues to live and work on his farm with his wife and children. He has taken the fine education he obtained at the University of Connecticut's School of Agriculture, combined it with the wisdom of his farm heritage and developed a successful formula in a field in which success was never easy.

I would like to congratulate Mr. Whitehead on his marvelous accomplishments, and on the honor bestowed upon him by the Connecticut Jaycees. In choosing such a deserving man as their "Farmer of the Year," the Jaycees have once again made clear their commitment to excellence.

For the benefit of my colleagues, I am inserting in the RECORD excerpts from the New Milford Times article written about Mr. Whitehead. The article provides an insight into the life of this outstanding young dairy man:

EDWIN WHITEHEAD NAMED STATE FARMER OF THE YEAR

(By Jack Muckstadt)

Edwin C. Whitehead, 32, part owner of the White Ayr Dairy Farm in Washington, Conn., last weekend was named state farmer of the year by the Connecticut Jaycees.

We went to visit Mr. Whitehead, his wife, June and three children Joey, 7, Rachel, 2, and Jason, 11 months, Tuesday morning for breakfast at their old fashioned country farm house.

Breakfast was at 9 a.m., but don't let that fool you. Mr. Whitehead had been up since 4:30 a.m. At that time he just had a cup of coffee, then went out to tend his milking.

It was about 12 degrees outside, Tuesday morning, but warm at least in the

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farm house kitchen with its crackling fire in the kitchen fireplace.

Looking east over the cornfield out of the sunlit window next to the kitchen table, we got the feeling we were on a farm in the Midwest, nothing but snow, with corn stumps breaking through for miles.

Mr. Whitehead looked out over the 800 acres that he and his dad, Robert Whitehead, work and said: "I hope the people of Connecticut aren't short-sighted and allow good productive land go for houses. If they do, as a state we would be relying on all our food supplies being brought in from other parts of the country. We would be at the mercy of disasters, truck strikes and other mishaps."

"To the farmer," Mr. Whitehead said, "the farm is his only heritage to pass on to future generations.

"There are more townspeople, meaning Washington residents, who are getting interested in the preservation of land for agriculture. We need more people all over the state to get on the ball, because we are losing 10 per cent of the dairy —."

We asked Mr. Whitehead why he wanted to be a farmer. He answered: "I like being my own boss. I like having elbow room. I like working with animals, I get attached to some of them sometimes. I like all the people who are associated with agriculture. They are sincere, hard-working people and independent in making their own way. Finally, I like being a farmer because I like the challenges with nature," he said.

Mr. Whitehead said, "generally in farming, help is one of our biggest problems." On the White Ayr farm there are three farm hands plus Mr. Whitehead and his father, not counting the wives and children.

Mr. Whitehead continued: "Right now a greater problem is that we are in a cost price squeeze. Our milk prices haven't increased with our operating expenses. We need a lot of soy bean meal for protein diet. Most of the soy beans are being shipped out of the country, thus bringing the price up."

Mr. Whitehead told us that the trend in dairy farming right now is for fewer farms but larger ones.

We asked Mr. Whitehead why he is so successful as a dairy farmer, he answered: "Good training from my grandfather and father, they both were successful. I like dairy farming. I get good help from the county agents."

ACTIVITIES OF EIGHTH DISTRICT CLUB IN VIRGINIA

HON. STANFORD E. PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. PARRIS. Mr. Speaker, it is my custom to publish a financial statement each year and to make public all other financial matters involving my congressional office which may be of consequence of my constituency. Accordingly, I am submitting a brief report on the activities of the Eighth District Club, an organization founded last year.

The club is nonpolitical in nature. Its main function is to facilitate dissemination of information to residents of my congressional district and create direct communication between the membership and myself. Several luncheon and dinner meetings were held last year with a speaker of note attending each.

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Membership dues were \$200 a year. The funds thus collected were used to defray expenses incurred in the production of newsletters, mailings, and other informational material.

To date the club has collected \$6,200, all of which has been expended for the purpose mentioned above.

FOOD STAMPS FOR PUERTO RICO

HON. OGDEN R. REID

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. REID. Mr. Speaker, I wish to call to the attention of my colleagues the recent regulations issued by the Department of Agriculture concerning the establishment of the food stamp program in Puerto Rico. The USDA has apparently decided to give fewer stamps of less value to Puerto Rican families in spite of the fact that the cost of food in Puerto Rico is higher than on the mainland. This action appears to disregard certain provisions of the Food Stamp Act.

The Food Stamp Act states that food coupon allotments must be set at such a level that would equal the cost of food, though coupon allotments for Puerto Rico cannot exceed the levels allotted on the mainland. Currently a family of four living in the United States can receive \$142 worth of food stamps monthly.

However, since food prices are substantially higher in Puerto Rico than the cost of food in the United States, those families who reside on the island need more money to put the same food items on their table than those who live on the mainland. Under the regulations issued by the USDA, an island family of four will receive only \$122 worth of food stamps monthly.

Although Congress clearly noted that benefit levels in Puerto Rico or the territories should not be higher than those set for the United States, it based the allotments on the price of food. It did not permit benefits in those territories to be lower if food prices were in fact higher, with the net effect of requiring equal allotments for the islands if food prices were higher. Apparently, the USDA has ignored the requirements of the law, and has set a discriminatorily low standard for the island.

In addition, it appears that the USDA has also violated the law with its delayed implementation of the food stamp program throughout the island. The amendments Congress adopted in August 1973, required implementation of this program in every political subdivision of the United States, including Puerto Rico, by June 30, 1974. The only exception that was provided in the law was if the program was impossible or impractical to implement. The Department of Agriculture has announced, however, that it is instituting the program on a town-to-

town basis, under which only five rural towns will be served by the deadline. San Juan will not receive food stamps until March 1975. Clearly, this is disheartening and unfair—if not illegal.

Unless the USDA and the Commonwealth of Puerto Rico can show why such implementation is impossible, the food stamp program must be instituted by June 30, 1974, throughout the island. If impracticability is not clearly established, the USDA's delayed action will indeed reflect a violation of the law.

Finally, when setting the income-eligibility standards, the USDA appears to have once again ignored the intent of Congress. The Department was instructed by the 1971 amendments to the Food Stamp Act to calculate eligibility by multiplying the number of persons in each household by the per capita income for the island, thus arriving at a maximum figure for each household size. This apparently was not done, for the eligibility standards are approximately 14 percent lower for Puerto Rican households than those in the United States.

The purpose of this program was to help the poor, not to perpetuate their disadvantageous status. At least 500,000 Puerto Rican families of four who are eligible for this program will be receiving \$20 less than they are due each month, the equivalent of \$10 million a month, or a full \$120 million a year. This loss to Puerto Rico violates the purpose and intention of the Food Stamp Act. The unconscionable situation must be rectified.

A SOLAR POST OFFICE IN THE WORKS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mrs. SCHROEDER. Mr. Speaker, the Sun produces as much energy in 40 minutes as humankind uses in a year. A post office scheduled to be built soon will take advantage of some of this bountiful energy source. Assistant Postmaster General Robert E. Isaacs has reported that the post office will be built in Ridley Park, near Chester, Pa. Bids are presently being taken on this project, with a completion date of early 1975. The purpose of this prototype is to provide the U.S. Postal Service with a solar energy program, a successful demonstration model for postal facilities nationwide. Preliminary estimates indicate that the supplemental solar energy supply at the Ridley project will reduce its dependence on conventional energy sources by 20 percent.

Mr. Speaker, as a supporter of the Solar Heating and Cooling Demonstration Act (H.R. 11864), which so recently passed the House, and as a member of the Post Office and Civil Service Committee, I am doubly glad to see the Postal Service make this bright beginning.

EXTENSIONS OF REMARKS

GRANTS TO ESTABLISH NEW STATE POSTSECONDARY EDUCATION COMMISSION IS LAUNCHED

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. QUIE. Mr. Speaker, on March 1 letters were sent by the Commissioner of Education to all Governors explaining how any State that desires can qualify for Federal postsecondary education planning grants by creating a State commission under section 1202 of the Higher Education Act, as amended in 1972.

Many of us have felt that the vast postsecondary education community within each State should be doing a better job of cooperative planning to make each segment and each institution as effective as possible. While competition among public and private, 2-year and 4-year, academic and vocational institutions is healthy, uninformed planning during a period of rather stable enrollment can too easily result in duplication of effort and a waste of resources.

The uniqueness of these so-called 1202 commissions is the requirement that they must be broadly and equitably representative of the general public and all segments—both public and private—of education beyond the high school within the State.

Mr. Speaker, I hope each Member will read the following letter which was sent to the Governors. It gives some of the background of this issue which has generated considerable controversy in the past 18 months. We will all watch with interest to see how well the Governors use the direction now given to them in carrying out the spirit as well as the letter of law. I believe these State commissions will prove useful to the States that choose to create them and hope that Congress will add to the approximately \$1 million available for Federal planning grants this fiscal year.

The letter from Commissioner Ottina follows:

DEPARTMENT OF HEALTH, EDUCATION,
AND WELFARE,
Washington, March 1, 1974.

DEAR GOVERNOR: You are perhaps aware that the Labor-HEW Appropriations Act for Fiscal Year 1974 includes the sum of \$3 million for Federal support of State Postsecondary Education Commissions. These monies have been made available by the Congress under the appropriation authority contained in Section 1203 of the Higher Education Act of 1965 (as amended in 1972), which provides that State Commissions established pursuant to Section 1202 of the same Act may apply to the U.S. Commissioner of Education for grant funds and/or technical assistance to support "... comprehensive inventories of, and studies with respect to all public and private postsecondary educational resources in the State, including planning necessary for such resources to be better coordinated, improved, expanded or altered so that all persons within the State who desire, and who can benefit from postsecondary education may have an opportunity to do so."

In approving the \$3 million appropriation

which the Administration had requested, Congress recognized that much of the money would need to be obligated to support the Higher Education Facilities Commissions; and, indeed, that some of this money had already been obligated for this purpose under the continuing resolution. At the same time, however, the Congress also stated its intention "that a substantial portion of this appropriation should be made available" for Section 1203 planning grants and/or technical assistance to those States which desire to establish State Postsecondary Education Commissions under Section 1202. And finally, the Congress called upon the U.S. Office of Education "to do whatever is necessary" to see that those States which comply with the criteria for Postsecondary Education Commissions set forth in Section 1202 of the Higher Education Act, as amended, will "get assistance from this appropriation to move ahead in launching the work of these important commissions.

In accordance with Congressional intent, and after a careful review of the work which the Higher Education Facilities Commissions must complete during the remainder of Fiscal Year 1974, we have moved to limit the aggregate total of State allotments for work performed by the facilities commissions to a maximum figure of \$2 million, leaving at least \$1 million of the Section 1203 appropriation for FY 74 available to fund applications from Section 1202 State Commissions for Section 1203 planning grants and/or technical assistance.

With this action accomplished, we are now confronted with the question of what is necessary to bring about establishment of State Postsecondary Education Commissions which (a) will comply with the criteria set forth in Section 1202(a) of the Higher Education Act, and (b) will thereby qualify to apply for and receive Section 1203 planning grant funds and/or technical assistance from the \$1 million which the U.S. Office of Education has reserved for such purposes in accordance with instructions from the Congress.

In reviewing the rather lengthy and substantial record of discussions on this subject, it seems to me that the salient points are as follows:

(1) There is no general Federal requirement that the States establish Section 1202 Commissions. Only those States which desire to receive assistance under the Section 1203 authority, i.e., from the \$1 million which is presently reserved to support that authority, are required to establish Commissions which comply with the criteria set forth in Section 1202(a).

(2) If a State desires to receive Section 1203 assistance, and decides to establish a Section 1202 Commission in order to qualify for such assistance, the law implies three options from which the State may choose in meeting the criteria set forth in Section 1202(a): (a) creation of an entirely new Commission which meets the criteria of Section 1202(a), (b) designation of an existing State agency or State Commission, if it meets the Section 1202(a) criteria, or (c) expanding, augmenting, or reconstituting the membership of an existing State agency or State Commission to meet Section 1202(a) criteria.

(3) The only function which Federal law authorizes the designated 1202 Commission to perform, and for which the \$1 million is being reserved from the FY 74 appropriation, is planning for postsecondary education. The expectation is that other State agencies and Commissions, local governments, and institutions of postsecondary education would use the results of planning activities undertaken by the State Commission to carry out their respective administrative responsibilities.

(4) In addition, the law provides two options between which the State may choose in providing for continuing State administra-

EXTENSIONS OF REMARKS

tion of the Community Services and Continuing Education authority (HEA Section 105), the Equipment for Undergraduate Instruction authority (HEA Section 603) and the Grants for Construction of Undergraduate Academic Facilities authority (HEA Section 704); namely, (a) designation of the Section 1202 Commission to serve as the State agency for purposes of administering any one or more of these program authorities, or (b) maintenance of separate State agencies or Commissions to administer these program authorities.

(5) Finally, and certainly most importantly, whichever option the State chooses to pursue in bringing about the establishment of a Section 1202 Commission, and whatever additional responsibilities the State decides to assign to the Commission beyond the planning responsibilities authorized under Section 1203, Section 1202(a) of the law prescribes that the State Commission must be "broadly and equitably representative of the general public and public and private non-profit and proprietary institutions of postsecondary education in the State including community colleges, junior colleges, postsecondary vocational schools, area vocational schools, technical institutes, four-year institutions of higher education and branches thereof."

This letter is intended as an invitation for you to advise me as to the course of action which will be followed with respect to implementation of Section 1202 and 1203 of the Higher Education Act, as amended, in your State.

If your State does not desire to establish a Section 1202 State Commission to apply for a planning grant and/or technical assistance under the FY 74 appropriation for Section 1203 planning activities, it would help us if you could notify the U.S. Office of Education of this fact as soon as possible.

If your State does desire to establish a State Commission which meets the "broadly and equitably representative" criteria of Section 1202(a), and thereby qualifying said Commission to apply for and receive Section 1203 planning grants and/or technical assistance from the FY 74 appropriation, the U.S. Office of Education needs to receive the following information from you by April 15, 1974:

(1) Which of the three options for establishing a Section 1202 Commission has your State chosen to follow: (a) creation of a new Commission, (b) designation of an existing State agency or State Commission, or (c) expanding, augmenting or reconstituting the membership of an existing State agency or State Commission?

(2) Which, if any, of the following State-administered program authorities contained in the Higher Education Act has your State chosen to assign to the Section 1202 Commission:

(a) Community Services and Continuing Education (HEA Section 105)?

(b) Equipment for Undergraduate Instruction (HEA Section 603)?

(c) Grants for Construction of Undergraduate Academic Facilities (HEA Section 704)?

(3) What is the Commission's official name, address and telephone number?

(4) What are the names, mailing addresses and terms of office of the Commission's members?

(5) What is the name, title, mailing address, and telephone number of the Commission's principal staff officer?

(6) A letter signed by you explaining how the membership of your State Commission meets the "broadly and equitably representative" requirements of Section 1202(a) at the present moment, and what provisions

have been made to insure continuing compliance with these requirements of the law.

We hope you will find the procedure outlined in this letter to be comfortable, convenient, and effective in carrying out the intent of Congress with maximum respect for the prerogatives of the States. Several States have previously communicated with the U.S. Office of Education about some action or another with respect to Section 1202. Since we had not decided which approach or what conditions and criteria would be used to activate the Section 1203 planning grants program, the U.S. Office of Education is not in a position to recognize any correspondence prior to this letter as sufficient evidence of compliance with the procedures now agreed upon and set forth above.

If you have any questions or concerns, please get in touch with me or John D. Phillips, Acting Associate Commissioner for Student Assistance, who can be reached at Area Code 202-245-9436. In the meantime, we will be preparing application materials and funding criteria for the award of Section 1203 planning grants and technical assistance. We expect that planning grants made during this Fiscal Year will remain available for expenditure by the Section 1202 State Commissions through June 30, 1975.

Sincerely,

JOHN OTTINA,
U.S. Commissioner of Education.

TO CREATE AN ENERGY SHORTAGE

HON. LOUIS C. WYMAN

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. WYMAN. Mr. Speaker, seldom has the Congress passed legislation as ill-considered as the recent conference-reported Energy Emergency Act.

The purpose of this legislation allegedly was to establish, for the first time, a coordinated Federal energy policy aimed at correcting present shortages. If signed into law its effect will be the opposite.

It would assure the continuance of energy shortages and guarantee them into the foreseeable future.

Under the guise of "consumerism," the act would roll back domestic petroleum prices but not foreign and world prices which are beyond its reach. In this country most of the known, easily recovered, relatively inexpensive to drill petroleum deposits have been used up or are on line. The remaining deposits are substantial, but require costly secondary and tertiary recovery technology such as water injection under pressure, and so forth.

Imposing an artificially low price by law—as has been the case with natural gas—merely insures that the costs of secondary recovery cannot be met. This means the oil will stay in the ground. The lines at the gasoline stations will grow longer.

This is not responding to the needs of the consumer.

That our present shortages are in large part due to shortsighted, fragmented

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Federal energy policies and laws of the past is dramatically emphasized in the following article by Bruce Henderson.

It is the responsibility of the Congress to act to correct these mistakes. We need legislation to avoid the need for gasoline rationing, not legislation that will force us to ration. Such measures as my bill to allow dealers to adjust emissions controls on cars to improve gas mileage where not needed for public health is a specific example of what Congress ought to enact immediately.

Mr. Speaker, the country is looking to Congress for some responsible legislation on energy. It is past time Congress provided it.

The article follows:

TO CREATE AN ENERGY SHORTAGE
NATURAL GAS

Set a ceiling price on natural gas. This discourages exploration and increases use. Keep the prices down in spite of inflation. This amplifies the effect and guarantees a shortage eventually.

COAL

Ban the use of coal with sulfur content. This sharply restricts the supply. Sharply restrict strip mining for cosmetic reasons. This further restricts the supply. Then suddenly impose drastic new safety rules which will substantially cut output from existing mines. Freeze prices so no one can offset cost increase from reduced output or justify further investment.

ATOMIC POWER

Delay construction a matter of years by uncertainty about licensing requirements. Delay operation at full power after construction. Delay start of construction by environmentalist suits.

OIL

With natural gas, coal and atomic power all severely restricted, that leaves only petroleum. First, grossly increase automatic consumption of gasoline by requiring drastic reductions in engine efficiency because of pollution related modifications. That alone will insure a severe shortage of energy. Then ban the use of oil containing sulfur. This severely reduces refining capacity. Put into effect new pollution objectives which make refineries far more expensive. At the same time, introduce great uncertainty into the requirements that must be met. That will virtually stop refinery construction or expansion. Eliminate practically all new refinery sites because of environmental legal delaying tactics. Further curtail refinery investment by making supplies of crude oil very uncertain. Block the use of Alaska North Slope oil by arguments on the cosmetic effects in uninhabited and unreachable regions. Stop the use or search for oil offshore in California because of potential leaks. Slow all offshore operations for environmental reasons. For good measure, hold down the price of gasoline to half that in Europe. This encourages large cars.

To be sure that all of the above is misunderstood by the general public, bring a law suit which charges all the largest energy companies with being non-competitive and therefore causing the energy shortage.

The above scenario has actually occurred in the U.S. Each and every action described above has been the result of public policy. Each act had laudable objectives. In the aggregate these actions will prove to be very punishing to the general public for years to come.

Such program management by a private

business would justify charges of gross mismanagement. The whole task of management is optimization of value delivered from the resources available. False weighting of values or misallocation of resources are equal failures.

All the ultimate objectives can, in due course, be achieved by coordination, by scheduling, by value/cost optimization and by resource allocation priorities. That, however, is what management is.

The object of management is optimization of benefits from the use of the available resources. The objectives of public policy also require management to achieve optimum results. Impulsive, extremist, poorly timed and uncoordinated actions produce inevitable frustration, waste, and cures that are worse than the disease.

Whom do we blame when mismanagement in public policy is imposed by the Congress and amplified by the Judiciary? This kind of mismanagement is occurring at all levels of our government in all areas of public policy.

RALPH VILLANI

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. RODINO. Mr. Speaker, all of us in this Chamber and every man and woman in each corner of the world share a common understanding. Each of us has lost or will lose someone close to us during the span of our lifetimes, be it mothers, brothers, sisters, wives, husbands, children of close friends. And, as we look about us, often during a special occasion, we quietly recall to ourselves the person who is not there but whose memory and whose love remains strong in our hearts.

Less than a week ago, Ralph Villani, an individual whose friendship and closeness my wife and I deeply cherished, passed away. His particular loss shall be experienced not only by those who were fortunate enough to have known and loved him well, but by all the people of my Newark, N.J., community whom he served so selflessly and so well.

Ralph Villani knew and understood the needs, hopes, and dreams of Newark's people. And, he spent over four decades in public life working toward the achievement of these ideals. Twenty-four of his 40-year career as an elected city official, he served as municipal judge, city commissioner, councilman, council president, and mayor. As a judge, he was remembered for his compassion. As a city commissioner, he is known for his dedication to preserving the city's department of parks and public property. He concentrated his efforts on building a better environment for all Newark's citizens, and particularly for the children who would some day inherit the legacy of his works. He developed, for example, a citywide "learn to swim" campaign, a comprehensive instruction program for the city's youngsters. He frequently visited Newark's swimming pools, not only watching the children's activities, but sharing with them in their enjoyment and the excitement of their newly learned skills.

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He served three terms as commissioner and was responsible for reorganizing the Newark Housing Authority, the city agency serving as the focal point for analyzing, structuring, developing, and handling the city's housing problems. From commissioner, he became city councilman, serving twice as council president. And, as mayor, Ralph Villani drew on all these experiences, insights, and perspectives to best meet the needs so critical to the growth and development of Newark and her people.

Ralph Villani did not let the passage of time or the growing list of his projects and achievements impede his commitment to remain a vital part of Newark's affairs. Only a few days before his death, he attended the Essex County Women's Division of the American Committee on Italian Migration with his wife Marie.

Throughout his lifetime, he served to inspire all who knew him to continue to believe in progress and the ability of Newark's people to create, develop, and improve upon their city's opportunities. He never tired in his efforts; he never stopped for a moment in carrying forth his ideas. His wife, Marie, a dear friend of Ann and me, was unanimously voted into the city council seat her husband had occupied when health prevented him from continuing to serve any longer. And, I am sure that Councilwoman Villani's ideas and plans shall carry forward and augment her husband's good works.

Hannah Senesh has written a few brief lines which perhaps best encapsulate Ralph Villani's great gifts to all Newark's people:

There are stars whose light reaches the earth only after they themselves have disintegrated and are no more. And, there are men whose scintillating memory lights the world after they have passed from it. These lights which shine in the darkest night are those which illuminate for us the path.

CAMELS AND REINDEER DELIVER MAIL IN NORTH AMERICA

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1974

Mr. ALEXANDER. Mr. Speaker, I would like to invite my colleagues to request their Junior Postman packet today from the Postal Service and examine Klassen's Folly.

I am told that this million dollar coloring book, under the guise of education, is designed to teach school-age children how to mail a letter.

It includes postage stamps to color, puzzles to work, postal trucks to assemble, official junior postman membership cards, and other countless propaganda.

It also explains how camels and reindeer once carried the mails in North America. From the service we are getting in Arkansas, I dare say they still do.

I would make one suggestion to my colleagues who desire their copy of Junior Postman, however. Have it sent by page if you want it promptly.

ST. GEORGES VILLAGE BOTANICAL GARDENS—A SHOWCASE OF BEAUTY AND COOPERATION

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. DE LUGO. Mr. Speaker, I wish to bring to the attention of my colleagues two newspaper articles that emphasize the truly cooperative and constructive spirit of the citizens of St. Croix, United States, Virgin Islands.

The subject of the first article is the St. Georges Village Botanical Gardens of St. Croix, a 13½-acre site that is becoming a showplace for the Caribbean and the world. Although this restoration of historical and natural forms will match any earthly paradise, its most enduring and endearing beauty is embodied in the community spirit of the workers and residents. At the village, you can see young and old, black and white, working together, volunteering their time and energy. You can sense an aura of cooperation and concern that rises from the work of their hands and hearts. There exists a unity of purpose, a positive attitude for the preservation of the culture and nature of the Virgin Islands. As the past is preserved, the present is secured.

The second article profiles a beautiful lady who personifies the link of the past and future at the village project. Frances Christiansen, a dearly respected member of the St. Croix community, is in the forefront of the creation of the botanical garden. As she recalls her life on St. Croix, Mrs. Christiansen exudes the hope and strength of one who firmly believes that her actions can guarantee a better tomorrow for the people of the Virgin Islands.

At this time, I wish to commend and thank you all of the individuals who are expressing the beauty of their humanity through their efforts to preserve the loneliness of our Virgin Islands.

I respectfully submit the following articles:

[From the Daily News of the Virgin Islands, Nov. 9, 1973]

TWO HUNDRED AND FIFTY CELEBRATE OPEN HOUSE AT ST. GEORGES BOTANICAL

The recent Open House ceremony of the St. George Village Botanical Garden of St. Croix drew a crowd of over 250 people including Walter Phillips of Water Isle, St. Thomas and Sen. Nobel Samuel of St. John who traveled to St. Croix for the occasion.

During the program, an additional 4½ acres of land, including the Village Supervisor's house, sugar factory and corrals, were awarded to the Botanical Garden by Lakeside Manufacturing Company of Milwaukee, Wisconsin, who donated the original nine acres.

Robert Moon, president of the company, said, "There is only one owner of property, and that is God Almighty. Individuals, corporations and people only accept responsibility for property and we are happy to transfer the custody of this property to St. George Village Botanical Garden." Moon said that this award was given to the members of the community and the Botanical Garden who want to assume the responsibility to preserve this priceless heritage for

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future generations. Mrs. Jean Eastwood, president of the Botanical Garden, accepted the deed to the land and the responsibility of the Botanical Garden.

The 13½ acre site is the only place in the world where a botanical garden is being created within an entire village of a historic era of the island. Picturesquely situated are historic buildings, ruins, a lime kiln; buildings for barrel makers, saddle makers and blacksmith; homes for the sugar cane workers plus a cemetery where some of the forefathers of our friends and relatives were laid to rest.

Speakers on the program also included Mrs. Frances Christiansen who was born in the village and who is now actively helping to create the Botanical Garden. Spoke of the early days in St. George's; Priscilla Hilder explained the superb planting plans and John Randal McDonald, architect donating his expertise, described the plans for erecting a "Great Hall" which will enhance the beauty of the garden and at the same time will serve cultural, educational and social needs of the island.

Donations, in addition to those already in use, were numerous. Carib Gas Company, managed by Oscar Seagle, donated a refrigerator, ice maker and kitchen for the new building. Meals for over 200 people can be prepared with this equipment. Mr. & Mrs. Richard Eames donated a tractor with numerous attachments. Felix Pitterson donated three large coppers used in making sugar, in addition to the barbed wire previously given for fencing. Boys and youth clubs offered assistance and their steel band for future entertainments. Many individual donations to help defray costs were graciously given. Schools and organizations offered assistance and showed interest by requesting field trips to the Botanical Garden.

Memberships in the Garden increased, including Senator Samuel, who stated that he will be back many, many times to the Botanical Garden. Pitterson was the first sustaining member; and a person who wishes to remain anonymous obtained a lifetime membership.

Walter Phillips of Water Isle has been extremely helpful in developing the original plans of the St. George Village Botanical Garden. As his invited guests, the group planning the garden in St. Croix observed Phillips' botanical garden. He has given information which has been invaluable to the botanical garden.

Also included in the program were guided tours given by the junior members of the Garden. These youngsters are extremely enthusiastic and have contributed greatly to the development of the garden.

In addition to the large crowd in attendance were Phillips, Senators Samuels, Britain Bryant, Juan Luis and Alex Moorhead. The newly formed Boys' Club of Frederiksted, under the direction of Al Johnson, were in attendance.

[From the St. Croix Journal, Nov. 22, 1973]

PLANTATION CHILD BACK HOME TO HELP
ST. GEORGE HISTORY LIVE

ST. GEORGE VILLAGE.—When Frances Christiansen was a little girl growing up on the huge sugar plantation that once dominated the St. George Estate area of St. Croix, she remembers eating family meals under a big plum tree that grew outside their house.

Frances and her family occupied two rooms of a long building built for workers on the plantation, owned then by George Latimer. Frances' father worked for Latimer as a carpenter, mason and cooper, and he assembled the hogsheds and barrels used for sugar and rum.

REMEMBERS HURRICANE

Frances remembers when the hurricane hit St. Croix on Oct. 9, 1916, how she took refuge

at Diamond School, but her mother was left at home to hold the door shut against the howling wind. She remembers, too, when Hamilton Jackson led a strike of plantation workers earlier that year, seeking a raise in their wages of \$1.00 for a 60-hour work week.

That was in the early 1900s. Last Saturday, Frances Christiansen was back at her girlhood home, wielding a machete and chopping down the thick vines and brush that have grown up around the plantation buildings.

Frances is in the vanguard of a loyal group of St. Croix residents who want to create a botanical garden and outdoor history lesson out of the plantation at St. George's.

Every Saturday since February of this year, an average 35 to 40 people of all ages have devoted their mornings to clearing land, hauling away trash, and cleaning the area around the many stone buildings still standing on the former plantation site.

They and many others are part of the St. George Village Botanical Garden of St. Croix, a non-profit, tax-exempt corporation that since February has been directing development of the 13½-acre site.

BAZAAR PLANNED

Next week, on Nov. 29 and 30, the members who can't chip in on the physical labor are sponsoring a bazaar at the old library in Christiansted, from 8 a.m. to 5 p.m., to raise money for the Garden.

They all have the same dream...

Someday, Virgin Islands residents and visitors from all over the world will drive past the stone pillars on Centerline Road and follow an entrance road into the Garden lined with royal palms and rainbow bougainvillea.

The first building they'll see will be a "Great Hall," a Danish-style building of stone that will serve as a conference room, banquet hall, educational center, and backdrop for garden and plant shows.

The hall will have four revolving stages to accommodate changing plant displays, and a dome some 40 feet high, lighted by a skylight, from which plants and flowers will be hung. Underneath it will be a 60,000-gallon cistern.

Flanking it as wings will be two buildings dating back to plantation days. From there, visitors may walk down the "Path of Gold," a line of yellow flowering trees that will be planted along the garden boundaries; take the "frangipani walk"; see an area planted entirely with dozens of varieties of cactus and other succulent plants; admire a terraced display of all the types of hybrid hibiscus in the islands; or visit an "orchid house" and "anthurium house" created from plantation ruins.

One small stone building will be restored as a gift shop, and the old blacksmith's shop is planned for a museum.

LIME KILN

There are many other historical treasures on the site, which the volunteers have been unearthing as they clear away the dense growth. Part of a dam built by the Daines on the property is still standing, as is the original lime kiln where Frances Christiansen remembers that rocks, conch shells and molasses were burned to make a powder used in white-washing buildings; and ashes, sand and gravel were mixed to make a cement substitute.

The path the plantation workers took from their living quarters to the fields still can be seen; so can the huge vats used in the factory to produce the sugar called "muscovado," that Mrs. Christiansen remembers was "like the dark brown sugar Pueblo sells."

All of this heritage is in the hands of a Board of Directors, headed by Mrs. Jean Eastwood, and aided by an army of volunteers and donors. All of the equipment, materials and labor on the Garden project have

been donated, including all of the architectural services of John Randal McDonald.

GOVERNMENT HELPS

The V.I. Agriculture Department has donated equipment to cut grass and plow away underbrush, Mrs. Eastwood said, and bee-keepers from the Department have come to clear away bees nests. The Public Works Department has hauled away mountains of brush, trash and abandoned vehicles that had accumulated on the property.

Other local residents who have had almost full-time involvement in the Garden are Jean Brennan, who has handled all of the publicity and public relations for the group, and Mrs. Priscilla Hilder, who is designing all of the planting plans.

Local children have been such a help on Saturdays. Mrs. Eastwood said, that the Board of Directors created a junior membership category, with voting rights, and invited kids to join for \$2.00.

DONATED LAND

The Garden project was formally shown to the public last month at an open house attended by some 250 people. Highlight of the event was the announcement by Robert Moon, who donated the original nine acres of the site, that his Lakeside Manufacturing Company in Milwaukee was giving an additional 4½ acres of land to the garden.

But of all the people who have a stake in the St. George Botanical Garden, Frances Christiansen's undoubtedly is the deepest. Her three brothers and a sister are buried in a cemetery on the property, and she can look at the house where she was born in 1908 and remember what the plantation was like in its heyday.

That's why she's out there every Saturday with that machete, chopping away at the growth of time that once threatened to obscure an important part of the island's history.

CONTROLLED SUBSTANCES TRAFFICKING ACT OF 1974

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

MR. ROGERS. Mr. Speaker, yesterday I introduced at the request of the Drug Enforcement Administration, H.R. 13256, the Controlled Substances Trafficking Act of 1974, which would amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 in several respects. I was joined in introducing this legislation by Mr. HASTINGS, a member of the Subcommittee on Public Health and Environment who has been a leader in fostering drug abuse legislation. Primarily, this bill would provide for mandatory minimum sentences for all narcotic traffickers, and for second offenders involved in other dangerous drug trafficking. It would permit the denial of bail pending trial for certain drug offenders, and it would increase the terms of imprisonment and the fines which may be imposed in certain cases.

I am convinced of the necessity for careful review of these provisions and, thus, feel it is important to get this administration proposal before the public quickly in order to engender as much comment on the legislation as possible. Some of the provisions are controversial,

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and I emphasize that my introduction does not constitute blanket endorsement of this measure.

The following is a section-by-section analysis of the Controlled Substances Trafficking Act of 1974:

CONTROLLED SUBSTANCES TRAFFICKING ACT OF 1974

TITLE I—INCREASED PENALTIES

SEC. 101. Amends sec. 401(b)(1)(A) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 to increase the first offense penalty for trafficking in a schedule I or II controlled narcotic substance (i.e., heroin, methadone, morphine, cocaine) to a term of imprisonment of not less than three years to fifteen years, or a fine of not more than \$50,000, or both. It would also increase the second offense penalty to a term of imprisonment of not less than ten years to 30 years, a fine of not more than \$100,000, or both. It would also deny probation to offenders sentenced under this Act. Present law imposes no mandatory minimum sentences nor does it deny probation.

SEC. 101b. Amends sec. 401(b)(1)(B) of the Act of 1970 to increase the first offense penalty for trafficking in a non-narcotic controlled substance under Schedules I, II, or III (i.e., amphetamines, barbiturates, LSD, marihuana) to a term of imprisonment of not more than 10 years, a fine of not more than \$30,000, or both. It would also increase the second offense penalty to a term of imprisonment of not less than three years to fifteen years, a fine of not more than \$50,000, or both. It would also deny probation to any second offender who had been convicted for any offense relating to controlled substances which was punishable by a term of imprisonment for more than one year under the law of any state. Present law imposes no mandatory minimum sentences nor does it prohibit probation.

SEC. 101(c). Amends sec. 405(a) of the Act of 1970 relating to "Distribution to Persons under Age Twenty-One" to mandate a term of imprisonment of not less than three years for any person over the age of eighteen convicted of distributing a controlled substance to a person under twenty-one years, and increases the fine. Present law imposes no mandatory minimum sentence.

SEC. 101(d). Amends sec. 405(b) of the Act of 1970 to mandate a term of imprisonment of not less than five years for any person over the age of eighteen with a previous conviction for distributing a controlled substance to a minor, and an increased fine. Present law imposes no mandatory minimum sentences.

SEC. 101(e). Amends sec. 405 of the Act of 1970 to add a new subsection which would deny probation to anyone convicted of distributing controlled substances to a person under twenty-one years.

SEC. 102(a). Amends sec. 1010(b)(1) of the Act to increase the first offense penalty for importing or exporting a controlled narcotic substance under Schedule I or II to a term of imprisonment of not less than three years to fifteen years, a fine of not more than \$50,000, or both. It would also deny probation to any person convicted under this subsection. Present law imposes no mandatory minimum sentences nor does it deny probation.

SEC. 102(b). Amends sec. 1010(b)(2) of the Act to increase the first offense penalty for importing or exporting a non-narcotic controlled substance under Schedules I or II to a term of imprisonment of not less than ten years, a fine of not more than \$30,000, or both. Present law imposes no mandatory minimum sentences.

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SEC. 102(c). Amends sec. 1012, "Second or Subsequent Offenses", by increasing the second or subsequent offense penalty for importing or exporting a Schedule I or II controlled narcotic substance to a term of imprisonment of not less than ten years to thirty years, a fine of not more than \$100,000, or both. It would increase the second or subsequent offense penalty for importing or exporting a Schedule I or II non-narcotic controlled substance to a term of imprisonment of not less than three years to fifteen years, a fine of not more than \$50,000, or both. Second offenders would be denied probation. Present law imposes no mandatory minimum sentences nor does it deny probation.

TITLE II—CONDITIONS OF RELEASE

SEC. 201. Amends Part D of Title II of the Act of 1970 by adding four new sections dealing with release conditions and pre-trial detention of persons charged with either trafficking or importing or exporting a controlled substance in Schedule I or II. Section 412 would provide that the judicial officer shall consider whether the person poses a danger to himself, others, or the community in setting conditions of release. Section 413 would require that a special hearing be held at the time of arraignment to determine whether the person may be released prior to trial if the judicial officer finds that the person is a second offender, is presently free on parole or other conditional release with a conviction or pending charge for any previous felony, is a non-resident alien, has a false passport, is either a fugitive or has been convicted of having been a fugitive. Section 414 would deny release to a person convicted of trafficking, importing or exporting a Schedule I or II controlled substance who is awaiting sentencing or appealing conviction, if that person had been detained prior to trial pursuant to the provisions of section 413. Section 415 defines the term "judicial officer" to mean any person or court authorized to admit to bail or otherwise to release a person before trial, sentencing, or pending appeal.

SEC. 202. Amends the table of contents at the beginning of the Act of 1970 by adding sections 412 through 415.

ATLAS OF AFRICA

HON. CHARLES C. DIGGS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. DIGGS. Mr. Speaker, I would like to invite the attention of my honorable colleagues to the new *Atlas of Africa* to be published this month by the Free Press, a division of MacMillan Publishing Co. The atlas makes a very interesting and readable presentation of general information on Africa in part I. This section includes some maps of special interest—like the map, "Precolonial Africa," which gives the location of ancient African kingdoms, describes historical trade routes, indicates migratory patterns for major racial groups, and indicates major penetrations into Africa through history. In part II, the atlas furnishes the reader with concisely worded statements on the geography and the economies of individual African States. This is graphically represented in full size maps of all

these countries. By omitting current political information, the work achieves a seeming timelessness that should assure its utility for a while to come.

THE PENSION PLAN BILL

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

MR. HAMILTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my Washington Report entitled "The Pension Plan Bill":

THE PENSION PLAN BILL

Back in the "good old days" an American worker often retired with a gold watch, a smile from the boss and a firm handshake. Today things are much improved with over 30 million employees, or about one-half of all private non-farm workers, covered by private pension plans which have in excess of \$150 billion in assets. By 1980, 42 million workers will be covered under plans with assets totalling over \$215 billion. Although there is some disagreement about the effectiveness of the pension system, there is no disagreement about the importance of the system to American workers and the economy.

The Congress has worked on a pension protection bill for at least five years, studying in detail thousands of pension plans with the aid of a computer and pension actuaries. Most pension plans are operated in a responsible manner and no further regulation is needed. But there are enough sad stories like the closing of the Studebaker plant in South Bend, Indiana, a decade ago which left thousands of long-term workers with no protection, to persuade just about everybody that pension protection is needed.

About one-half of all employees in private non-agricultural employment are not covered by any plan. Employees often have difficulties collecting adequate or even any pension benefits. Of those who have worked and then left jobs with pension plans over the last 20 years, only about 5% will ever receive any benefits. Accumulated pension credits have often been lost even when the separated employee was within a few months, or even days, of qualifying for retirement. Many pension plans do not accumulate sufficient funds to pay benefits in the future to covered employees. Not all covered employees wind up getting benefits and even those persons covered are not guaranteed a comfortable living (pension industry sources say the average annual benefit paid by private plans to retirees is \$1,605). Despite the number of persons involved, the size of the funds and the inadequacies of many of the plans, current law provides only limited safeguards, requiring only disclosure and minimal regulation.

Last September the Senate approved by unanimous vote a pension protection bill and this week the House approved a similar bill by a vote of 375-4. Differences between the two bills must be resolved, but the final approval of major pension plan reform seems assured. Pension plan regulation focuses on these five principal areas:

(1) **Vesting** is the acquisition of irrevocable rights to at least a part of the pension fund. Current law does not require vesting of pension rights before reaching retirement

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age, and workers are covered by plans with a variety of requirements of age and service before vesting. The proposed House bill requires pension plans to meet one of three different vesting formulas (e.g., 100% vesting after 10 years of service, or 25% vesting after 5 years of service, such percentage increasing each year thereafter).

(2) Funding is the accumulation of sufficient assets in a pension plan to assure the availability of funds for payment of pension benefits to workers when the benefits are due. Although current law requires funding for liabilities being created currently, plus interest on unfunded liabilities, it does not require the employer to make payments toward the principle of unfunded accrued liabilities. The proposed House bill would require such payments.

(3) Fiduciary standards for those persons administering the pension funds are, under current law, only general in nature. The proposed bill would establish standards of conduct and accountability for persons exercising power and control over the management of pension funds, and require communication of the contents of the plan to covered workers.

(4) Reinsurance is a system of federal insurance for pension plans designed to protect employees against losses of benefits. No such system now exists, and the bill would require that plans insure liabilities incurred prior to, as well as after, enactment.

(5) Portability is the right of a worker to transfer pension credits earned with one employer to the pension plan of another. The bill does not change current law with regard to transfer from one qualified plan to another, and it would not create a governmental portability fund, although the bill does allow an employee, when he leaves a job, to take the cash equivalent of the benefits to which he is entitled, and put the money into an individual retirement account to which he will gain access only when he retires.

Under the proposed bill no one is compelled to establish a retirement plan, but, if one is established, it will have to meet certain requirements designed to strengthen the retirement system. The bill is based on the premise that it is sound public policy to assure that individuals who have spent their careers in useful and productive work should have adequate income to meet their needs when they retire.

All in all, the passage of the bill takes the retirement system a long way from the gold watch and the firm handshake!

Lodge No. 2232, Order Sons of Italy in America, Islip, N.Y.:

GUGLIELMO MARCONI—HE SHRANK THE WORLD

Due to the proximity of the Village of Babylon, our Lodge was named for the immortal Guglielmo Marconi, who was born on April 25th, 1874 in Bologna, Italy and who died in Rome on July 20th, 1937. At his request, he was buried in the town of his birth.

It is true that many countries owe a debt of gratitude to many of their citizens for contributions they have made in various walks of life. These same contributions have been duplicated in other countries too, and soon, the original contributor goes down into obscurity. Our namesake though, Guglielmo Marconi, is the only man to whom the Whole World will forever be indebted to. Even beyond Magellan, who first knotted the world by circumventing it; our Columbus, who connected two continents; Morse by his wireless; Antonio Meucci with his telephone (later bought out by Alexander Graham Bell and who took all the laurels); the Wright Brothers, Orville and Wilbur with their airplane; and Lindberg who made the world smaller yet, it was the genius of our Guglielmo Marconi who shrank the world to its present size by his invention of the radio. It would be superfluous to list the numerous inventions of which the radio has been a forerunner to or has been its foundation.

Here are a few highlights of his life:

1. Surprisingly, Guglielmo Marconi was not 100% Italian. His father was from Bologna; his mother from County Wexford, Ireland and was bi-lingual from birth.

2. Amongst the many honors received by Guglielmo Marconi were: the Nobel Prize for Physics; created Marchese by the Italian Government and nominated to the Italian Senate; created a Knight of Italy; plus numerous other honors and honorary degrees.

3. Set up the first Vatican Radio with the late Pope Pius XI.

4. To clarify the opening statement, "due to the proximity of the Village of Babylon", Guglielmo Marconi performed many of his experiments from a little shack several blocks south of Main Street in the Village of Babylon, off Fire Island Avenue. This shack is now in the possession of one of our Brother Lodges on the north shore. (As matter of note, when I asked Mrs. Terry Caputo to design our letterhead, I requested that she incorporate a sending tower and a shack in the design. If you will carefully look at our letterheads and the design on our envelopes, you will note that at the base of the tower, ground level, she included this noted shack).

Guglielmo Marconi's father was Giuseppe Marconi, a retired businessman, landowner and a man of means who had amassed quite a fortune. His mother was Annie Jameson, a pretty Irish girl from County Wexford, Ireland, who was the youngest daughter of a wealthy whiskey distillery owner who happened to be in Italy studying opera. It was through a mutual business friend that the widower Giuseppe met the lovely colleen and it was love at first sight, followed by elopement. Annie and Giuseppe had a son, Alfonso, a year after their marriage. Nine years later, our immortal Guglielmo Marconi was born. He was born in the massive, heavily-shuttered Marescalchi Palace in the city of Bologna.

Guglielmo Marconi grew up with an elder brother and a much older half-brother, and yet, he always tended to be a solitary youngster, absorbed in his own world of science, invention and study. He had very little of formal schooling and never attended a university. His mother taught him religious and musical subjects and she had engaged a private tutor for his other subjects.

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Guglielmo disliked formal lessons and felt that he could learn more by reading. He would read for hours and hours and would always wind up trying to invent something.

Guglielmo's father was always at loggerheads with him since he disliked formal schooling and thought he was wasting time. The kindness of his mother caused him to continue to read of and experiment with electricity. As a result of this difference of opinion with his father, Guglielmo became more secretive and determined to know all there was about electricity and the science behind it. As with all novice experimenters, Guglielmo had millions of ideas running through his mind and had almost as many experiments going at one time. Constantly learning. Constantly perfecting. Constantly trying to win over his father who thought him a lazy good-for-nothing since he didn't like school or schooling. Guglielmo had been sending electrical signals further and further, and his experiments kept getting costlier and more sophisticated. During this time of experimenting and learning, Guglielmo Marconi learned the Morse code, which was to be the language he would use in the future, until he was able to substitute dots and dashes with the voice. One day finding himself short of money he sold his shoes to continue his experiments. Finally, he was able to sell himself to his father, a shrewd businessman, and from then on did his father finally acknowledge, with reservations though, the intelligence and ambition of his son. At this era of his life, Guglielmo Marconi, was in his early twenties.

After many years of trials and tribulations, young Guglielmo Marconi finally was able to transmit intelligible signals from a transmitter to a receiver. At first the distances of transmission were short; from one part of the house to another; from the house to various parts of the Marconi Estate and then gradually into longer metres, 10, 20, 30, 40 and farther. Also, the strength of the signals increased from barely audible to strong and determined. When certain of his achievement, and, after conferring with his parents, priest and doctor (as was the custom in those days when seeking advice), Guglielmo Marconi with his intense patriotism and loyalty to his fatherland, approached the Italian Government to inform them of his invention. Due to his youthfulness, he was rebuffed by his government and was never to forget this disappointment. Signora Marconi who never once doubted her son's ability, made arrangements to go to England to further his pursuit. The two of them set off for Ireland on the first leg of their trip to England.

In no time at all, Guglielmo Marconi captured the hearts of all the Irish and English people whom he came into contact with, for himself personally or for his invention. Overnight in England, he became a famous and international figure. Constantly experimenting, he aimed to transmit signals to and at sea. An anecdote in Guglielmo Marconi's biography at this time records the day he was setting up antenna and apparatus atop the Post Office building in England. A man from below watching him, yelled up to him "What are you doing up there?" The reply came back "Why don't you come up and find out?" George Kemp did go up and that was the beginning of a loyal friendship that lasted for many, many years. Kemp, a retired naval petty officer was the first of a band of devoted workers who stayed with our Guglielmo Marconi through all the years ahead. The range of transmission was no longer measured in metres, but in miles, so that finally in May, 1897, Wales and England were bridged by radio.

GUGLIELMO MARCONI—HE SHRANK THE WORLD

HON. JAMES R. GROVER, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. GROVER. Mr. Speaker, April 25 will mark the 100th anniversary of Guglielmo Marconi's birth. Generations past, present, and to come are indebted to Marconi for his contributions to mankind.

Although Marconi was born in Italy, many of his experiments were conducted in Babylon, N.Y., just a few blocks from the place where I was born. So it is with a deep sense of pride that I submit for the Record the enclosed biography which was prepared by the Guglielmo Marconi

Italy realized it had turned its back on an outstanding son and to cover up for its error, paid many accolades to Guglielmo Marconi, amongst which were:

1. A plaque on his father's house at Villa Grafone honoring him.

2. Exempted personally by the King of Italy from military service.

3. Appointed as a naval officer attached to the Italian Embassy in London so that he could continue his experiments. Finally, on July 20th, 1897, "The Wireless Telegraph and Signal Co., Ltd." was born in London.

Lest his individuality be sidetracked with all this fame, honor and glory (not to say of money, prestige and knowledge), throughout this era of "blood, sweat, tears and triumph" Guglielmo Marconi lived with his devoted mother in a very humble manner. Guglielmo Marconi hated to give lectures (for which he was constantly hounded) but loved to display his experiments, never once fearing piracy from someone else, so sure was he of his work. After one year's absence from Italy, Guglielmo Marconi was recalled home personally by King Umberto and Queen Margherita to further his work. It was his intense patriotism and loyalty that made him return back home to his native country that just a year or so earlier had shown little enthusiasm for his experiments. This patriotism was to remain with him until his death.

The century is now ending and Guglielmo Marconi is now in his mid-twenties. It would be out of the tone of this column to delve into each and every experiment he performed, along with the failures and successes of each. Suffice it to say at this time that it was at approximately this era that Guglielmo Marconi performed an innumerable number of experiments with his wireless. These experiments included distances (land over land, land to land over water, shore to ship and sea to sea), heights, topography, different styles and sizes of antennae, senders and receivers and times of days and nights. Throughout these and all future experiments, never let it be forgotten that the Morse code was to Guglielmo Marconi, what the word is to the writer and the palette to the artist. Dots and dashes were now a second nature to him as were his breathing and reflexes. Guglielmo Marconi was now universal and many, many people and countries were clamoring for his friendship. He was never an outgoing person and always tended to be reserved. His objections to all these interviews was not his aloofness, but he felt that they held him back from his work. His "Big Thing" as Guglielmo Marconi referred to his work was an obsession and he left his work only for the things he felt were very important. His crude wireless sending and receiving apparatus at this time were installed on many ships and yachts (including the yacht of H.R.H. Queen Victoria). March 27th, 1899 was another historic day, not only for Guglielmo Marconi, but for the world too. It was on that day that the English Channel between England and France (a distance of 32 miles) had been bridged by the wireless. The English Isles and the European mainland now became one through our immortal Guglielmo Marconi. A famous message in the annals of radio broadcasting was sent two days later, when the American Journalist Cleveland Moffett radioed from Wimereux, France to his editor the following message: McClure, Dover: Gniteerg Morf Ecnarf Ot Dnalgne Hguorht Eht Rehte, Moffett. In a minute or two came the reply: Moffett, Boulogne, Your Message Received. It Reads All Right. Viva Marconi, McClure. (The above was sent between S. Foreland, near Dover, England and France).

Marconi's schedule of experiments increased in sophistication and distances. His

next step was to bridge the Atlantic Ocean (as one of his workers commented later on in years). Only those who worked with Guglielmo Marconi throughout the years can appreciate the wonderful courage and stamina he showed under frequent disappointments; the extraordinary fertility of his mind in constantly inventing new methods to displace other methods found faulty and his willingness to work, often and many times 16 hours per day and more, especially at a time any interesting experiment was being tested.

Guglielmo Marconi made many trips to America and Canada at the turn of the century constantly seeking topography, materials and conditions that would not only advance his experimentation, but to finally perfect his Big Thing. The thought of transmitting and receiving the human voice and sounds through the air obsessed his whole being. Just prior to these frequent trans-Atlantic trips the Marconi International Marine Communications Co., Ltd. came into being and Guglielmo Marconi saw the world's leading navies (led by Great Britain and followed by France, Germany and Italy) outfit their protective (war) and commercial ships with radiophonic equipment. Distances of transmission at this time was now approximately 65 miles. Cable companies now fearing the advent of transmittal competition and of the demise of the cable, started applying pressures to Guglielmo Marconi to discontinue his experiments and to the state and federal legislatures to enact laws outlawing the wireless. Needless to say, both efforts not only failed, but they failed miserably. Guglielmo Marconi finally chose a site in Newfoundland to receive and send signals from a station he had set up in Poldhu, England. Finally on December 12th, 1901 at 12:30 p.m., the first trans-Atlantic transmission was received by Guglielmo Marconi himself, which consisted of a pre-arranged signal of three dots (the Morse code signal for the letter "s"). While it seems to us that such a signal is not much, let it here be noted that this was the first transmittal of any sound over the ocean, and as such, the first, it stands out in the life and times of Guglielmo Marconi and to all in the broadcasting industry, (and there are many many persons in this industry in many many different capacities outside of just broadcasting). As the equipment became more and more refined and advanced, Guglielmo Marconi moved to New York, where he noted, with much satisfaction, the steady progress of his Marconi Wireless Telegraph Company of America. Guglielmo Marconi now concentrated his experiments with voyages at sea. Now the distances of transmission were 2,000 miles.

On January 23rd, 1909, two ships at sea collided off the Atlantic coast of America and the first transmission for marine assistance took place. Guglielmo Marconi's dream of ship-to-shore transmission and receiving was finally realized. The pathetic survivors of the ill fated liner *Titanic* have Guglielmo Marconi to be thankful for their survival. The liner hit an iceberg on the night of April 14, 1912 with 2206 people aboard. 1503 persons perished and 703 were saved. These survivors marched en masse to honor Guglielmo Marconi at his New York City hotel. Guglielmo Marconi was now revered in every country of the world and spoken of as a genius. Yet, his modesty never left him as he told his daughter: "Do you hear them talking of genius? There is no such thing. Genius, if you like to call it that, is the gift of work continuously applied. That's all it is as I have proved for myself." At this time the range of reception now increased to 6,000 miles, from Clifton, Ireland to Buenos Aires, Argentina. The advent of World War I in 1914 saw

Guglielmo Marconi, the loyal patriot, become a major in the Italian Army, in charge of needless to say, the entire wireless telegraphic system. The first act of World War I was the sending of a wireless message of the British (Admiralty) ultimatum to the German Fleet Commander on the eve of August 3-4, 1914. Appropriately, the last act of World War I was the announcement by Marshall Foch from the Eiffel Tower at 5:40 a.m. on November 11th, 1918, that hostilities were to end at 11:00 a.m. that same day.

After World War I, Guglielmo Marconi began toying with the idea of short waves. It was about this time also that Guglielmo Marconi fulfilled a lifelong ambition; that of owning a yacht! This was to be his own ocean going yacht. (For the nautical minded readers of this Newsletter the yacht was a white, sleek 200 ft. long yacht; 730 ton displacement, high prow, a tall single funnel and a crew of 31). She was fitted as a floating laboratory and was christened *Elettra*. It was aboard the *Elettra* that Guglielmo Marconi was able to carry on his experiments "away from curious eyes and distractions". Guglielmo Marconi was now able to float the Atlantic and other seas at will, constantly seeking to "elongate" short waves and perfecting all his equipment to better send and receive signals (and the human voice, which is, in effect, a form of a signal). In 1924, Guglielmo Marconi achieved his second great discovery by having perfected the short wave as a primary means of communications (long waves almost became obsolete) and the cable systems now became a secondary means of communications. That same year, he installed the first short wave radio telephonic system connecting the Vatican in Rome with the Pope's summer residence at Castel Gandolfo, about 15 miles away and the late Pope Pius XI was the first of modern day popes to talk over the radio. In the mid-thirties, Guglielmo Marconi was over 60 years old and he was now physically and mentally worn and his health was failing. He also suffered several heart attacks. Guglielmo Marconi did not abandon his work and fondly held onto the theory that the microwaves that he discovered held within their clutch the secrets of television and radar, just waiting to be released. Guglielmo Marconi was now in Italy for good and while he suffered from crippling angina pectoris, he continued working in spite of doctors orders. The end came peacefully on July 20th, 1937; the worn and weakened heart beat no more. Italy afforded him a state funeral which has never been equalled for anyone, and as mentioned at the beginning of this series, at his own request, Guglielmo Marconi was buried in his native Bologna. It was our own Guglielmo Marconi, more than any other person or inventor of the world, who truly shrank the world.

SUPREME COURT JUSTICE CHARLES J. GAUGHAN

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. KEMP. Mr. Speaker, Supreme Court Justice Charles J. Gaughan, a good friend, distinguished jurist, and highly respected State leader died today.

His long and accomplished career spanned more than 30 years, having served as Hamburg supervisor and assistant district attorney before becom-

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ing a county judge. His 11 years as a county and supreme court judge earned him a reputation as a diligent worker and fairminded adjudicator.

His passion for work and devotion to the community led him to help organize a committee of town officials in 1961 which accomplished the first major revision in the State's town law since 1933. As an innovator, Judge Gaughan also played a major role in organization of the pioneering traffic violators school for Erie County.

A loyal Republican, Justice Gaughan's lifelong dedication to the county and State GOP prompted many New York Republicans to consider him an ideal running mate with Gov. Malcolm Wilson this fall.

While the death of Justice Gaughan will leave a very real void in the hearts of all New Yorkers who knew him, it is indeed all of New York State that will miss him.

The Buffalo-Courier Express eulogized Justice Charles J. Gaughan in this morning's edition. The eulogy follows:

CHARLES GAUGHAN IS DEAD; A JURIST HERE FOR 11 YEARS

Supreme Court Justice Charles J. Gaughan, 52, died early today in Buffalo General Hospital after suffering a heart attack Tuesday in his Hamburg home.

A native of Buffalo's old First Ward, Justice Gaughan was a self-made man who worked in steel mills and put in a World War II hitch in the Army before embarking on a legal career.

He was a Town of Hamburg supervisor and justice of the peace and an assistant district attorney for 4½ years before he became a county judge in 1952.

During his nearly 11 years on the County Court and State Supreme Court bench, he built a reputation as a hard-working jurist who could trim down overloaded court calendars in a hurry.

He frequently left his own Courtroom to help out in critical judicial areas. He was detached for duty in the New York City area at times in other Western New York counties.

He also helped out with the welter of litigation stemming from the 1971 Attica Prison uprising.

He currently had been under serious consideration by Republicans as a running mate for Gov. Malcolm Wilson in his bid for re-election in this year's state election.

Justice Gaughan was born Sept. 28, 1921. His father, the late Joseph P. Gaughan, was a waterfront grain scooper.

"I grew up in a realistic neighborhood," Justice Gaughan later recalled. "In the First, Second and Third Wards in South Buffalo, you faced reality and you had to battle a lot."

He and his three brothers worked their way to distinguished careers in different fields. A brother, Dr. Lawrence A. Gaughan, is a dentist. Vincent M. Gaughan, an attorney, has risen to a high place in national political circles. He gained wide recognition as a top trouble-shooter for the late President John F. Kennedy.

A third brother, Francis P., became a deputy commissioner in the Buffalo Police Department, retiring in January, 1971.

Charles Gaughan was a bantamweight football player and trackman at South Park High School and also became a top-notch debater before his graduation in 1940.

He then went to work as a timekeeper at Worthington Pump Corp., and became a laborer for Bethlehem Steel Corp. in 1941.

"I weighed 155 pounds when I went to work in the mills," he recalled, "and I hit 159 before I left and there was no fat."

As a steelworker, he was part of the construction gang for building of Memorial Auditorium. He also started work for a degree as a part-time Canisius College student.

He was thinking about a medical career when he entered the World War II Army in 1943. He was discharged as a sergeant in 1946 after service in the Medical Corps. He said his experience as a medical corpsman turned his interest away from medicine and toward law.

He enrolled in the University of Buffalo and in a whirlwind scholastic career earned his bachelor of arts degree in a year and 8 months.

He was graduated from the UB Law School in 1950 and was admitted to the bar in 1951.

Throughout his college career, he worked to pay his expenses.

Meanwhile, he had taken on the responsibilities of a married man, marrying the former Mary Louise Bawer in 1951.

In private practice, he specialized in criminal law. Between 1953 and 1958, he put in a 4½-year stint as an assistant district attorney.

He was a busy assistant DA, doing much of the City Court and town justice court criminal trial work.

He was elected a Hamburg justice of the peace in 1968. Two years later he won election as Hamburg supervisor, at a time when a supervisor was a county legislator as well as an administrative officer.

In 1961, he helped organize a committee of town officials which drafted the Suburban Town Law passed by the 1973 Legislature, the first major revision of the state's town law since 1933.

He also helped organize and headed a committee of town and municipal representatives which settled tax equalization disputes in the county.

He also was an innovator as a judge, playing a major role in organization of the pioneering Traffic Violators School for Erie County.

On May 1, 1963, Gov. Rockefeller named him County Court judge. When he failed to win Republican organization endorsement for election to the court post that fall, he ran as an independent, winning the GOP nomination and later the election.

On Nov. 25, 1968, Gov. Rockefeller named him to the State Supreme Court. He won election the next year to a full 14-year term.

On both the County and Supreme Court benches, he was known as "a worker." He handled many difficult cases, including a drawn-out litigation over reapportionment of Chautauqua County. It ended last March when Justice Gaughan accepted a final apportionment plan for the county.

Last January, Justice Gaughan was named administrative judge of the 8-county Eighth Judicial District. The job entailed assignment of judges, even though he continued his duties as a trial judge.

Justice Gaughan was affiliated with a long line of fraternal, civic and professional organizations, many of them related to the legal profession and judiciary.

Among his favorite outside activities were as a trustee of Kencore Mercy Hospital and a member of the Men's Club of Emergency Hospital. He was on the Advisory Board of the Columban Sisters.

Justice Gaughan described himself as "a very sentimental man" and on special occasions he often showed his emotions.

He said his hardest judicial role was passing sentence. He made this comment on that duty:

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"No more awesome responsibility can fall to any human being than to sit in judgment of his fellow man. Scriptures admonish us: 'Judge not, lest you be judged.'

"To the members of the judiciary, it might be better said: 'Judge well, lest you be judged harshly.'"

WHOM CAN YOU BELIEVE?

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. DERWINSKI. Mr. Speaker, as we continue deliberation on the bill to create a new energy agency, I bring to the attention of the Members an editorial in the *Suburban Life*, of Berwyn, Ill., in its Sunday, February 24 edition.

The editorial directs itself to the question of whether or not, we in Congress, have any interest in the dismantling of the Federal bureaucracy rather than rush into creating a new bureaucratic institution. This editorial is very timely as it relates to pending legislation.

The editorial follows:

WHOM CAN YOU BELIEVE?

The credibility of public officials has probably hit an all time low with the expectation that it can sink still further as far as the public is concerned when new and possibly contrived shortages cause still more demoralization of the people.

An official of and respected local fuel oil dealer has branded the alleged shortage of heating oil as a fake. This dealer says all the heating oil necessary is available from the usual source if you meet the price increases of several cents a gallon that have been occurring lately with almost weekly frequency.

Gasoline station operators are being made the scapegoats of a gasoline shortage while major oil companies conjure up alibis for the distribution system in this metropolitan area that has broken down almost completely.

Some claim with some degree of accuracy that the gasoline shortage doesn't exist except in this and possibly a few other metropolitan areas. Downstate Illinois, Wisconsin and Indiana have not had the gasoline difficulties we have here. The governor of Michigan is inviting tourists and assuring them that they can get all the gasoline they need.

Price control has been and still is a joke. In less than a year some heating fuel prices have tripled. Gasoline prices have been rising at a rapid rate. Scores of metropolitan area gas stations of major oil companies have closed. Their allocations don't seem to have shifted elsewhere.

One filling station operator, who said he normally pumps 35,000 gallons a month, was cut to 24,000 in January and his February allotment was just 8,000 gallons. The station is leased from a major oil company, and he must be wondering where the non-branded gasoline dealers who sell at a discount are getting their supplies to serve the block-long lines of motorists waiting to get a fill daily.

If there is a shortage of oil and refining capacity, what good is it going to do to raise the price of gasoline and fuel oils? If there isn't any more oil, then why line the pockets of the major oil companies and allow record-breaking profits?

Even efforts of long-established filling station operators to serve their regular customers are now being stymied under a regulation of the Federal Energy Office which bans such practice of preferential sales. It's a violation, carrying a heavy penalty, to sign up a customer to purchase gasoline or fuel oil in advance, a long standing custom.

The city of Berwyn recently was notified that it could only be furnished 10,000 gallons of gasoline a month instead of the 12,000 normally used on a contract basis. There have been hints that even further cuts might be made.

As we said, the credibility of those elected or appointed officials leaves much to be desired. Conflicting pronouncements are almost a daily dose. We should suggest that it would be a good idea for Congressional candidates to be put on the spot before the election on whether or not they favor the dismantling of the federal bureaucracy which is interfering with economics about which they apparently are not informed.

LOOK IN THE MIRROR

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1974

Mr. MILFORD. Mr. Speaker, many pages of this CONGRESSIONAL RECORD have been printed with discourses naming those industries, institutions, businesses, and individuals that are to blame for the so-called energy crisis.

I frankly detest this body's waste of time in trying to cast blame at a time when positive action is needed. But, if we are to play that game, then let us be sure all sides are heard.

Recently, I learned of an open letter that had been written to the Congress of the United States by Mr. L. G. Shelly of Denver, Colo.

I would like to share that letter with all Members of Congress.

The letter follows:

LOOK IN THE MIRROR

Look in the mirror, Congress of the United States, if you want to see who is the cause of the fuel crisis in this country.

The Federal Power Commission, with your blessing and approval, kept the price of natural gas at unrealistically low prices. This act made it financially foolish to drill for this fuel. Because gas was so cheap, in relation to other fuels, it began to take their place. But now, there is not enough gas to meet current needs, much less the expanding demands.

And since prices were so low—15 to 20 cents per thousand cubic feet to the producers—producers stopped looking for gas except as a by-product. At this time, gas was selling in New York to the consumer for approximately \$3 per cubic foot.

Now to remedy the situation, you plan to import liquefied gas from the Arabians—provided they will sell it to us—at a cost of 10 to 20 times what the U.S. producer is getting. Some liquefied gas was recently delivered to New York at a cost of \$3.65 per thousand cubic feet. Before the gas gets to the consumer, the price will probably be \$5.50 per thousand.

I hope that you are proud to have saved

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consumers a few pennies per year. You have effectively limited the exploration for gas.

IMPORT POLICIES

You, by import policies of allowing an excessive amount of underpriced foreign oil to be brought into this country to compete with domestic oil, broke or drove out of business 80 per cent of the independent oil producers. (Independent means small oil companies, funds and independent operators.) These are people who entered, or were in the oil business, in the 1950's and 1960's.

Cheap foreign crude kept the price low and limited production of U.S. oil.

Since the refineries were getting foreign oil so much cheaper, they restricted the amount of domestic oil they would buy from U.S. producers. Under these no-profit conditions, even very solvent producers had no incentive to assume the great risk that explorations entails. There can be no comparison of foreign and domestic production costs since the average Middle East well produces in excess of 5000 barrels per day vs. less than 20 barrels per day for the average well in the U.S.

In breaking the independent producers, you effectively stifled domestic oil exploration and development since the independent drills between 80 and 90 per cent of all exploratory wells and discovers 80 per cent of the new on-land oil.

From 1966, the number of wells drilled in the U.S. declined from 57,111 to 27,615 in 1972. You had an excellent solution for this: import more cheap oil and further destroy the domestic oil industry. Thank God, we had a few Congressmen among your ranks who stopped you before you completely broke the domestic oil business.

ENVIRONMENTAL POLICIES

You—by your environmental policies of prohibiting drilling off the East and West coasts, of slowing both the building of the Alaska pipeline and the development of oil shale—have slowed down the development of these tremendous reserves by 5 to 10 years.

While you were doing this, the states, which would become the most severely affected by the oil shortage, were prohibiting the building of refineries in their states. It was all right to build refineries in Louisiana or Texas since those crude people have no esthetic values, but not all right to build refineries on the East coast even if that is where fuel is most needed. However, these Eastern states and their Congressmen were the first to blame the oil companies for the lack of refinery capacity.

If you want to blame the major oil companies, accusing them of not developing the oil potential in the United States, then admit your own fault for bringing in excessive amounts of foreign oil. These imports have created the dependence on foreign oil which is the cause of our present crisis.

However, you can't blame oil companies too much since they could import foreign oil at a price of \$1 per barrel less than they could purchase domestic oil. These same companies slowed their search in this country for oil because it was costing them much more to find new oil than the \$3 (plus or minus) per barrel it was selling for in the U.S.

Here it must be pointed out that large oil companies purchase much more domestic oil than they produce. Therefore, they have been able to keep the price of domestic oil low. The price of domestic oil has remained dormant for almost 20 years, while costs of finding and producing have increased every year.

Suspicion are held, if not proven, that oil companies make most of their money on refining and sales rather than producing except for their profitable foreign operations.

The original Standard Oil Company—from which most of our present oil companies evolved—was a refining and marketing company that became an oil producer only to insure a reliable supply of oil.

If the major oil companies are making large profits in their domestic production, it is because most of their oil reserves were found or purchased in the 1920's, 1930's, and 1940's when oil was much easier and cheaper to find. On new reserves, production costs are between \$5 and \$10 per barrel.

CHALLENGE ISSUED

If you still think the oil business is so profitable, get into it. There have been several extensive studies which tend to verify that much more money has gone into the search for oil in the U.S. by the independent producer than will ever be taken out by him.

From 1970 to 1973, the independent operators have had a cost of over \$10 per barrel of proven reserves in the ground. Since my last 44 wells were dry holes, I can assure you that my costs are much greater than this. The first ray of hope independent producers have had is the recent price increase of new oil to a more realistic level. Therefore, if the price of new oil is rolled back or the intangible drilling costs not allowed, or the depletion exemption removed, you will eliminate many of the independents who remain in business despite the fact that for many years the price of oil has been below the cost of finding new oil.

INCENTIVES NEEDED

It is the independent producer who needs these incentives:

1. We need the immediate intangible drilling cost tax write-off. The majors can depreciate this over a period of years. But since ours is such a high risk business, we may be broke in a period of years.

2. We need the depletion allowance to insure ourselves some degree of survival. While a factory has the capability to make more money each year, an oil well is certain to decline production from year to year until ultimate depletion.

An example of what the price increase has done to me personally is that nine months ago I quit the oil business after 24 years. But the price increase brought me back. Recently I bought a lease that should produce 300 to 400 barrels per day which I will drill for \$10 per barrel oil. But I doubt if I will drill for \$7 per barrel oil. There must be at least 1000 other situations similar to mine in the industry.

CRISIS PROJECTION

All independents are needed to alleviate the energy crisis—remember, it is the independents who find most of the new oil. We can do it if you do not change the rules! If the price of new oil does not decrease, and the intangibles cost and depletion exemptions remain, I feel reasonably sure that production in the U.S. can be increased by a million barrels per day in the next two years—providing we are able to get the drilling rigs, pipe and equipment.

If you change the rules, we will be lucky ever to do this. The question is, do you want to pay \$10 for American oil or \$20 for foreign oil—if you can get it.

While deciding on an answer, it might behoove you to re-examine your conscience to discover your share of the guilt for the shape of the energy crisis. You are casting many demagogic stones because it is good politics. I can assure you, this demagoguery is unsound economics. It is time for one nice "mea culpa" from you. Then do what is best for the nation, for once, without scouring the innocent.

Very truly yours,

L. G. SHELLY.

JULIA BUTLER HANSEN

HON. JONATHAN B. BINGHAM
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1974

Mr. BINGHAM. Mr. Speaker, I join with my colleagues in expressing the keenest regret that JULIA BUTLER HANSEN

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has decided to retire from the House of Representatives.

While I have not had the pleasure of working closely with Mrs. HANSEN on any legislative matters, I have been very much aware of her contributions. Particularly notable was her service as chairperson of the committee established by the Democratic caucus to work for reforms within the caucus and which was so remarkably successful.

To many of us JULIA HANSEN has been

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a symbol of commonsense and friendliness, qualities that are all too often lacking in the democratic process.

Unfortunately people like JULIA do not often make the headlines. If this were otherwise, the reputation of the House of Representatives would be enhanced.

We wish JULIA HANSEN great happiness and success in whatever she decides to do, but we shall miss her a great deal in the House.