

By Mr. RANGEL (for himself, Miss JORDAN, Mr. ROYBAL, and Mrs. CHISHOLM):

H. Res. 1023. Resolution creating a select committee to conduct an investigation and study of the health effects of the current energy crisis on the poor; to the Committee on Rules.

By Mr. RANGEL (for himself, Mr. MOAKLEY, Mr. MITCHELL of Maryland, Mr. LEHMAN, Mr. PEPPER, Mr. DELLUMS, Mr. BADILLO, Mr. MAZZOLI, Mr. WON PAT, Mr. HELSTOSKI, Mr. CLAY, Mr. CONVERS, Mr. HAWKINS, Mr. YOUNG of Georgia, Mr. FAUNTROY, Mr. DIGGS, Mr. QUIE, Mr. NIX,

EXTENSIONS OF REMARKS

Mr. KOCH, Mr. HARRINGTON, Mr. METCALFE, Ms. ARZUG, Mr. BURKE of Massachusetts, Mrs. BURKE of California, and Mr. STOKES):

H. Res. 1024. Resolution creating a select committee to conduct an investigation and study of the health effects of the current energy crisis on the poor; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

411. Mr. HANSEN of Idaho presented a memorial of the Legislature of the State of

Idaho, relative to interference with laws of nature governing the efficiency of engines of science; to the Committee on Science and Astronautics.

PETITIONS, ETC.

Under clause 1 of rule XXII,

417. Mr. BINGHAM presented a petition of the Legislature of Rockland County, N.Y., concerning eligibility of naturalized citizens for the Presidency of the United States; which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

A DISCUSSION OF THE ADMINISTRATION'S PROPOSED ECONOMIC ADJUSTMENT ACT

HON. HOWARD H. BAKER, JR.

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Tuesday, April 2, 1974

Mr. BAKER. Mr. President, one of the important legislative matters before the Committee on Public Works this year is the Administration's proposal for a new economic adjustment assistance program.

Our Subcommittee on Economic Development, under the able leadership of Senators MONTOYA and McCCLURE, has scheduled a hearing on S. 3041 which was introduced with bipartisan support earlier this year.

William W. Blunt, Jr., Assistant Secretary of Commerce for Economic Development, recently outlined the administration's proposal in a speech before the National Governors Conference. Because I believe it will be helpful for my colleagues to read and understand the administration's position on this issue, I ask unanimous consent that a copy of Secretary Blunt's speech be printed in the Extensions of Remarks.

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

DISCUSSION BY WILLIAM W. BLUNT, JR.

MARCH 6, 1974.

The proposed Economic Adjustment Assistance Act is designed to improve the abilities of States and communities to adjust to future economic changes and to implement longrange solutions to problems in currently distressed areas. It is structured to provide State and local officials with greater flexibility in spending Federal funds to assist distressed areas, in the expectation that such an approach will be more successful in reducing unemployment and raising income levels in these areas.

DECENTRALIZING DECISIONMAKING RESPONSIBILITIES

A primary goal of the proposed act is to return to States and communities the principal responsibility for deciding how to use Federal assistance to achieve program objectives. Since State and local officials are closest to the problems, they are in the best position to analyze area needs and set priorities for addressing them. The proposed program not only places these responsibilities at State and local levels, but also insures that those who set priorities have the power

to see that funds are expended in accordance with them.

This decentralization of decision-making responsibilities is accomplished through the automatic allocation to States of a minimum of 80 percent of the funds available under the proposed act. The division of these funds among States is based on a formula that recognizes State and community needs, taking into account population dispersal, land area, and unemployment and income levels. The remaining funds are allocated to States on a discretionary basis to meet special needs arising from State, regional, or local problems, or from Federal actions such as the closing of large installations.

In recognition of the importance of basing funding decisions on priorities developed through a problem identification and analysis process, the proposed act requires that each State develop an economic adjustment plan. The plan, which is to be submitted by the Governor, is to specify the target areas selected for economic adjustment assistance and the general objectives for each area. To insure that the knowledge and insights of those working at community, county and multi-county levels are reflected in these plans, the proposed act requires that local government and multijurisdictional entities assist in its preparation.

This emphasis on the planning process is strengthened by linking the preparation of State plans to the actual obligation of allocated funds. The proposed act requires that State economic adjustment plans be approved by the appropriate Federal Regional Administrator before the funds allocated to a State are made available to that State. These Federal Regional Administrators, whose functions will be outlined later, are responsible for reviewing State plans and approving them if they are consistent with the proposed act and any regulations issued by the President.

There is, however, an exception to this rule. Allocated funds may be released to a State prior to approval of a State plan for use in preparing that plan. Thus, States are entitled to use part of their allocations under the act for financing the preparation of their economic adjustment plans.

Since funds are given to a State as a block grant, a State has complete direction as to how they are used, as long as they are consistent with the general purposes of the act. As a result, States have the ability to fund a limited number of areas, or even one area, thereby providing each area with sufficient resources to resolve its economic problems. Furthermore, States may use funds in areas before economic distress becomes acute.

The block grant approach maximizes State and local responsibility for planning and carrying out economic adjustment efforts. It permits States, and areas within States, to develop and implement their economic adjustment plans in conjunction with related programs, such as those under the recently enacted Comprehensive Employment and

Training Act and under the Rural Development Act. It would also permit coordination with the programs proposed by the Administration in the Better Communities and Responsive Governments bills.

State and community planning for economic adjustment can also be accomplished on a more rational basis because funds are appropriated a year in advance of actual allocation to the States. Thus, the problems inherent in developing plans in a vacuum, with little or no information as to the resources that will be available for implementing those plans, are eliminated.

AUTHORIZING A BROAD RANGE OF ASSISTANCE

Under the proposed act, States have a broad range of tools at their disposal, and these tools may be used for a variety of purposes. States may offer assistance through grants, loans, subsidies, loan guarantees, tax rebates or other forms of aid to public entities, private profit and non-profit organizations, and individuals. This assistance can be used to support not only the kinds of projects and activities that are currently funded by EDA, but other appropriate economic adjustment efforts as well. Among the types of State aid specifically authorized by the proposed act are assistance for public facilities, public services, business development efforts, planning, technical assistance, and administrative costs.

STRENGTHENING REGIONAL PLANNING AND COORDINATION

The proposed act also authorizes interstate compacts to permit States to work together on common economic adjustment efforts. States participating in these multi-State organizations may use funds allocated under the proposed act for joint adjustment effort expenses. If regional organizations are formed, they may require member States to submit their plans to them for review or approval. Such participation by multi-state organizations should assure that State plans reflect regional adjustment needs.

DECENTRALIZING FEDERAL ADMINISTRATION

The principal Federal authority and responsibility under the proposed act is given to ten Federal Regional Administrators, one for each Standard Federal Region. These Federal Regional Administrators are appointed by the President and are responsible for reviewing State plans, obligating funds to the States, and evaluating performance by the States in using the funds. The Administrators have no authority to make project-by-project allocations of Federal assistance as the Economic Development Administration does under the Public Works and Economic Development Act of 1965.

The Federal Regional Administrators are required by the proposed act to work with other Federal agencies whose programs affect area economies, and are permitted to participate in the activities of Federal Regional Councils to promote interagency co-

operation. It is anticipated that the President will delegate to the Secretary of Commerce responsibility for the central Federal administrative and policy functions outlined in the act.

EXTENDING EDA FOR TRANSITION PERIOD

Although the proposed Economic Adjustment Assistance Act is designed to replace the Public Works and Economic Development Act of 1965, it extends EDA for one year in order to provide an orderly transition to the new program. Accordingly, the President's budget for fiscal year 1975 includes \$205 million for EDA and the Title V Commissions. The budget also includes an additional \$100 million as initial funding for the economic adjustment program, as well as \$25 million for Indian development, requested for the Department of the Interior. This will provide a total of \$330 million for economic development and adjustment programs in fiscal year 1975, including the Indian program, an increase of nearly \$50 million over the 1974 level.

In summary, the Economic Adjustment Assistance Act provides the basis for a substantial improvement in the ability of States and communities to adjust to economic changes and prevent unnecessary distress and hardship. Its implementation would represent a significant step toward achieving the goal of making government more effective by returning power to State and local authorities.

CORTEZ GROWERS ASSOCIATION CELEBRATES 50TH ANNIVERSARY

HON. ROBERT B. (BOB) MATHIAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. MATHIAS of California. Mr. Speaker, the Cortez Growers Association, which is located in Cortez, Merced County, Calif., will celebrate its 50th anniversary on April 19, 1974. This association was founded in 1924 by four non-English-speaking alien Japanese farmers. Since that time, the Cortez Growers Association has overcome numerous obstacles, including the relocation of its members during World War II to the War Relocation Center in Amache, Colo., to become one of the most influential farm cooperatives in California.

The Cortez Growers Association was incorporated in California as a nonprofit corporation by Mr. N. Morofuji, Mr. S. Yonejama, Mr. Y. Kuwahara, and Mr. Z. Yuge. Because of their language barrier and the volume of their business, they found it necessary to band together in order to hire someone to represent them and market their crops.

The purpose of the association, as described by George Yuge, who is President of the association and the son of one of the organizers, is:

To improve the bargaining position of its members in securing the best possible price for its produce, to buy essential items at an advantageous price, and to provide services which are necessary for its grower-members.

An editorial and news article from the March 24 edition of the Modesto Bee provide some good background material and an explanation of the success of the Cortez Growers Association. I commend

EXTENSIONS OF REMARKS

these newspaper articles to my colleagues.

The articles follow:

A GOLDEN YEAR FOR CORTEZ GROWERS

If there ever was a story of success through unflagging cooperation in the face of shattering adversity, it is the story of the Cortez Growers Association.

It was formed in 1924 from within the colony of Japanese immigrants who had settled after World War I along Cortez Road in the Delhi-Ballico area of northwestern Merced County.

It was no small feat in itself for the four original founders, whose status as aliens prohibited landholding and whose unfamiliarity with the English language complicated their dealings.

Yet they managed, surviving severe depressions in crop prices and showing amazing resiliency and the flexibility to change their crops and produce for the market.

The association was growing strong and prosperous by the time World War II struck. Within months all members of the colony, aliens and citizens alike, were evacuated to war relocation centers.

Four years later they returned to their land, revived their association, later opening their membership to Caucasians.

Throughout these trying times the association was sustained by the industriousness of its members, the fine quality of the crops they produced and the strong spirit of cooperation they developed—a spirit which has been passed on to the second and third generations of those hardy founders.

As the members celebrate the 50th anniversary of their organization, we salute the Cortez Growers Association and its president, George Yuge, the son of one of the founders. They have helped and are helping America to fulfill its promise.

CORTEZ GROWERS: A HALF CENTURY OF SUCCESS

(By Harold Geren)

An organization which admittedly had little going for it in the outset but managed to survive the Depression and a world war, last night celebrated its 50th anniversary in ceremonies in the Hotel Covell Fable Room.

The Cortez Growers Association, which received its incorporation papers in 1924 with four non-English speaking members, has grown to one of the most influential farmer cooperatives in the state.

RETAINS INTENT

From those first four Japanese members, its membership has expanded to 62 today. And more than 200 members and guests were present last night to observe the Golden Anniversary.

The association of 50 years ago is not the same as today—many different crops are harvested—but “the intent and purposes of the founders are still paramount: To improve the bargaining position of its members in securing the best possible price for its produce, to buy essential items at an advantageous price, and to provide services which are necessary for its grower-members,” according to Board President George Yuge.

Yuge, whose father was one of the four original members, collected historical data on the organization, compiled it in a 25-page booklet and presented it to members and guests attending the ceremonies last night.

DATE TO REMEMBER

It was on April 18, 1924, that four growers, representing 190 acres of tree and truck crops, received official notice of their incorporation as a non-profit organization. The four included N. Morofuji, Y. Kuwahara, S. Yonejama and Z. Yuge.

“This was the beginning of Cortez Growers Association, a farm cooperative conceived

April 2, 1974

and born of an ethnic group, a group of alien Japanese farmers,” Yuge writes.

MEMBERSHIP GROWTH

By law, however, aliens were prohibited from leasing, renting, or purchasing farm land but the four worked around the law by forming individual corporations naming their naturalized citizen offspring as chief stockholders.

“In actuality, the original organizers and membership of the association was for many years composed totally of corporations,” according to Yuge.

During its first year of operation, the association had increased to 11 members. In addition, a packing house was constructed at a cost of \$757 at the present location on Cortez Avenue adjacent to the Santa Fe Railway tracks.

REVAMPED FACILITIES

Many additions were made to the original structure and have since given away to entirely different operations with the switch from one crop to another. Almond hulling machinery has replaced fruit and vegetable packing facilities. A peach slab is used for centralized delivery. And commercial truck scales stand in place of a dehydrator for grapes.

The association offers a complete line of fertilizers and chemicals to its members at reduced rates.

It was a leader in bulk handling of almonds. Board meeting minutes note the first bulk deliveries were made in 1953, at least 15 years ahead of the overall industry.

LABOR HOUSING

In addition, the association was a leader in bulk harvesting of wine grapes with the switch to gondolas completed in 1954.

Cortez Growers was one of the first farm organizations to construct housing for farm laborers. Yuge notes “by 1955 the Mexican Bracero program had become a reality. Farm workers were practically non-existent. No one wanted to work on a farm.” The firm built its own labor camp which housed 90 workers in 1955 and enlarged it to house 120 single men the next year.

After the Bracero program ended in 1965, following “severe opposition from the public,” the association entered the migrant family housing program by constructing 50 plastic, accordion-type shelters for migrants. Families living in the shelters, which have since been rebuilt with wood, were free to seek agricultural employment anywhere they chose.

Hard times hit the organization during World War II, although it had operated from the outset with “very limited working capital.”

WAR EVACUATION

Writes Yuge: “The declaration of war between the United States and Japan on Dec. 7, 1941, affected everyone’s way of life in the United States. This was especially true in Cortez, an isolated area populated mostly by alien Japanese and their citizen offspring.

Dec. 7 was a Sunday, but the association was operating as usual. It was nearing the end of the carrot shipping season, and the carrot pack line was operating at full capacity. When the news of the attack on Pearl Harbor was announced over the radio, it became a matter of immediate decision whether to continue with the carrot packing operation on a business-as-usual basis or to suspend operations and wait for developments.

BACK IN BUSINESS

“Would the American public be so aroused that it would refuse to buy produce grown by people from Japan? It was decided the packing would continue, and so the 1971 carrot season was completed.”

At a membership meeting on Feb. 7, 1942, it was recommended that all aliens be requested to withdraw their membership from

the association in favor of a joint custodian arrangement.

Following several meetings of association directors completing arrangements for a management agent to operate the 1,900 acres of property, evacuation of all members was complete in May, 1942. After spending the duration of the war at the War Relocation Center in Amache, Colo., association members returned to Cortez and were officially back in business on Feb. 1, 1946.

While the organization is still predominantly comprised of Japanese ancestry members, its ranks were opened to other growers in the late 40s. In 1949, Hilmar Blaine became the first Caucasian to sit on the board.

Last night's festivities saw numerous honors bestowed on past members, officers and managers. Current President Yuge presented Sam Kuwahara, who served as the organization's first year-round manager (from 1932 until 1947), with a silver, engraved bowl commemorating his years of service.

MANAGE, THEN JOIN

Yuge said "our association has the distinction of having four past managers now on its membership rolls which should say something for the organization."

Other managers cited were David Zollinger, 1961-70; Don Toyoda, 1951-61 and Ken Miyamoto, 1947-51.

Kuwahara went on to serve as president in 1963.

SMALL BUT SUCCESSFUL

Past presidents lauded include Nobuhiro Kajioka, 1964; Yoshiya Asai, 1961-62; Mark Kamiya, 1956-59; Harry Kajioka, 1942-50, and Yuge who has served 12 terms in the office (1951-55, 1960, 1965-68 and 1972-74).

Because of the background of many members, portions of the program were presented in the Japanese language, with interpretations provided for others.

The current manager is Jerold Bookwalter, "who hasn't saved enough yet to go into farming," according to Yuge.

Even with a membership of 62, the organization might be considered small by some standards. It is an interesting success story, however, for those four founders who undoubtedly did not realize it would grow into its size of today.

Cortez is in Merced County, but the association is closely tied to Turlock across the county line. And all its produce is grown on some 3,000 acres within a two-mile radius of association facilities.

CONGRESSIONAL REFORM IN THE 93D CONGRESS

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. ANDERSON of Illinois. Mr. Speaker, the question is often asked of me, "What if anything is the Congress doing to improve its deplorable 21-percent job performance rating as reflected in a recent Harris poll?" First, in all fairness, I think it should be pointed out that the Congress has never consistently enjoyed a very high rating in the public mind. While our low ratings have often been justified, so too we have often been saddled with bum raps. Congress has received its highest ratings when working in tandem with a President of the same political party, and even then the ratings may have been unjustified as motivation is confused with progress and good intentions with good legislation.

EXTENSIONS OF REMARKS

There can be no question that things move slower when the White House and Congress are ruled by opposing parties. Obviously, it takes more time to reconcile and compromise opposing policies and programs, and the resulting public frustration always seems to fall heaviest on the Congress. At the same time, the friction inherent in such a situation can be a healthy factor in terms of revitalizing a Congress too long dependent on the executive branch. This has clearly been the case over the last few years, and the Congress is once again coming to the fore as an institution. The present Congress may well prove to be the most reform-minded in recent history. In the House we have opened committee deliberations to the public and will soon vote on a comprehensive overhaul of our committee system. This Congress has enacted a war powers bill and is approaching final action on an omnibus budget reform, impoundment control bill. And we are also tackling the difficult problems of Executive privilege and campaign finance reform.

At this point in the RECORD, Mr. Speaker, I wish to include an article written by Bruce R. Hopkins in the January 1974, issue of the American Bar Association Journal, entitled "Congressional Reform Advances in the Ninety-third Congress":

CONGRESSIONAL REFORM ADVANCES IN THE NINETY-THIRD CONGRESS

(By Bruce R. Hopkins)

For those who watch Congress and seek consequence in the ebbs and flows of relations between the legislative and executive branches, 1973 was an incomparable year. There were to be sure myriad and notable developments in congressional reform during the first session of the Ninety-third Congress, which ended in late December. Yet, of greater significance were the events that led to a confrontation between the president and the other branches of government and became an extraordinary subject of conversation and concern during the past year.

Usually the province of constitutional law tomes, the terms "separation of powers," "executive privilege," and "impeachment" became household words. The scope of executive power was commonplace discussion, principally as a result of televised hearings of the Senate Select Committee on Presidential Campaign Activities, which began last May. A constitutional struggle was joined when the president refused to release tape recordings of his conversations with aides and various documents allegedly bearing on the Watergate affair. The refusal brought subpoenas from the Senate committee and the special Watergate prosecutor, sparking a historic court test of the separation of powers doctrine.

The federal district court ordered the president to turn the tapes over to the court (360 F. Supp. 1) and was upheld in a modified order from the United States Court of Appeals for the District of Columbia Circuit. When a proposed "compromise" of the issue was rejected by the special prosecutor, the president fired him, caused the resignation of the attorney general and his deputy, and later agreed to release the controversial tapes. Several days later the White House claimed that two of the tapes never existed.

The action brought by the Senate select committee for the tapes was dismissed on jurisdictional grounds. The Senate reacted by declaring its approval of the subpoena activities of the select committee (S. Res. 164) and by passing legislation (S. 2641) to confer jurisdiction on federal district courts

over actions brought by the select committee to enforce subpoenas.

The disclosure that the vice president was the subject of a grand jury investigation for violation of criminal statutes triggered a national debate over whether a president or vice president may be indicted while holding office. Vice President Agnew's resignation on October 10 spared courts a battery of constitutional questions and implemented for the first time the use of the Twenty-fifth Amendment, under which the president nominated a successor vice president for confirmation by a majority vote of both the House and Senate.

The president's relationship with Congress deteriorated considerably. Many believe that congressional attempts to regain lost power, such as the enactment of the war powers measure, were encouraged and facilitated by the Watergate developments. It seems clear, however, that, while the scandals cannot be discounted, most of the progress made by Congress on this front was inevitable, as much preparatory work had been accomplished in preceding years and because the matter of restoration of congressional authority came to the fore last year.

During its first session the Ninety-third Congress attempted more—many more—ways to reform and strengthen itself as an institution than nearly any previous Congress. If these efforts are continued throughout the second session, this should be remembered as one of the great "reform" Congresses.

Much of what has been undertaken and accomplished lies outside the scope of revision of congressional procedures and in the broader—and generally more significant—domain of congressional-executive relationships. Often resulting from virtual power struggles with the president, accomplishments range the separation of powers spectrum, affecting executive privilege, the sharing of war powers, impoundment of appropriated funds, budget priorities and spending levels, and appropriate exercise of the presidential veto. Although somewhat overshadowed by these more momentous events, Congress also has made or is in the process of making notable changes in its internal rules, some to implement the changes in executive relationships and some in more traditional "congressional reform" areas: the seniority system, the closed rule, the role of the party caucus, coordination and expedition of appropriations bills, and the jurisdiction of legislative committees.

The House and Senate are changing, not only in institutional terms of rules and structure, but also in the nature of the membership. In the Senate the establishment is shifting away from conservative Southern Democrats to more liberal Midwesterners and Northerners of both parties. In the House the traditional, ever-present resistance to change is declining, largely the result of the retirement or defeat of senior members and an unusual rate of turnover in membership generally. In both the House and Senate nearly one half of the members have served less than six years in Congress. This new composition is less resistant to reform proposals.

Another factor having an impact is the "public interest" lobby. In the past reform was an inside job, typically the effort of a coalition of interested representatives and senators. Members of Congress remain the essential ingredient, of course, but they are more and more being assisted and encouraged by groups such as Common Cause, the League of Women Voters, the various Nader organizations, and the Committee for Congressional Reform, the last a coalition of fifty national organizations.

Congressional reformers began their push for the Ninety-third Congress even before the first session began on January 3, 1973. This process was helped by comparable attempts at the outset of and during the Ninety-second Congress—modification of the seniority system, strengthening of the party

EXTENSIONS OF REMARKS

caucuses, reallocation of subcommittee chairmanships, recorded teller votes, and electronic voting. In December of 1972 hearings on reform conducted by an *ad hoc* Senate committee developed the theme that Congress must reassert itself as a coequal branch of government and to do so must first or at least concurrently reform its internal ways of functioning.

The Ninety-third Congress, with both houses controlled by the Democrats, convened in a mood of antagonism toward the Republican president, chiefly because of the escalation of bombing in Vietnam without congressional consultation, the extensive impoundments of appropriated funds and the invoking of executive privilege.

The initial congressional reform activity in the opening session occurred in the party caucuses. Senate Republicans further modified the seniority system by agreeing to allow Republicans on each committee to select the ranking party member, subject to ratification by the full Senate Republican Conference and with both sets of votes a matter of public record. House Democrats decided to conduct an automatic vote on all committee chairmanships in the caucus at the start of each Congress, by secret ballot if requested by one fifth of members present. The House Democratic Caucus also voted to guarantee all Democrats in the House one major committee assignment.

On opening day Democrats in the House rammed through two rules changes that grant the majority party more control over the scheduling of House business. Now the House may vote on four rather than two days each month on noncontroversial bills under the quicker suspension of the rules procedure.

The House also may now by majority vote rather than unanimous consent decide to begin its sessions earlier than the regular opening time of 12:00 noon.

For the first time in sixteen years there was no battle in the Senate over easing the filibuster rule.

House Democrats voted to open all House committee and subcommittee hearings and executive (bill drafting) sessions to the public unless there is a specific public vote to operate in secrecy. In another significant rules change, House Democrats voted to curb the closed rule as used by the Ways and Means Committee to bar floor amendments on tax and other legislation, by permitting fifty Democrats to force the party caucus to consider an amendment. Under this procedure, if the caucus approves the amendment, the Democratic members of the Rules Committee would be directed to allow a vote on it in the House. These rules changes were approved by the full House in March. At the same time the Senate voted only to permit committees to adopt rules for open meetings.

WAR POWERS RESOLUTION ENACTED

If any single activity in Congress illustrates the efforts being made to reinstate the symmetry of powers between the branches envisioned by the Constitution, it is the enactment of the war powers resolution (Public Law 93-148) late in 1973. The passage of this resolution, climaxing three years of work in both houses, reflects the fact that legislation has become necessary to limit the power of the president to commit American military forces to combat in foreign lands without congressional approval, even though the Constitution expressly grants Congress the power to declare war. In recent years presidents have assumed this authority themselves, nearly ignoring Congress.

The war powers resolution requires the president to consult with Congress in "every possible instance" before committing military forces to hostilities overseas. If the president introduces combat forces to hostilities abroad absent a congressional declaration of war, he must promptly report to

Congress his reasons for assuming this authority. The report would have to be submitted by the president to Congress within forty-eight hours of the introduction, stating the circumstances necessitating the action, the constitutional and legislative authority under which the action was taken, the estimated scope and duration of the hostilities or involvement, and such other information as may be requested. Subsequent reporting is also required at least every six months.

The military forces would have to be withdrawn if Congress did not give its approval to the president's unilateral action within sixty days. Congress could simply declare war or extend the sixty-day period. The president would not be bound by the sixty-day requirement if the hostilities involved an armed attack upon the United States. Congress could decree an earlier approval or withdrawal by passing a concurrent resolution.

The resolution states that the president may not derive authority to introduce military forces abroad from any provision of an authorization or appropriation act or from ratification of any treaty, unless Congress specifically states that authority is being conferred. The resolution further states that it is not intended to alter the constitutional authority of Congress or the president or be construed as granting any authority to the president concerning the involvement of military forces he would not have in the absence of the resolution.

The resolution should greatly contribute to a restoration of balance between the president and Congress in war-making authority. It was certain that the president would veto the resolution as, in the words of a White House aide, "a matter of principle." The veto came on October 24, 1973, with the president stating that the measure is "both unconstitutional and dangerous to the best interests of our nation." In a significant legislative defeat for the president, however, both houses overrode the veto four days later, forcing the resolution into law (Public Law 93-148). This was the first veto the Ninety-third Congress managed to override, having failed in eight previous attempts.

A prelude to the war powers bill was the timely and unexpected success Congress had in passing legislation to deny appropriations for United States military undertakings in Indochina absent advance congressional consent. The move began in June when the Senate Foreign Relations Committee added the ban to a State Department authorization bill, and the full Senate overwhelmingly passed the measure and sent it to a House-Senate conference. Earlier a milder version of the ban attached to a supplemental appropriations bill was approved by the Senate. The latter version was accepted by the House but vetoed by the president. But both houses passed a similar ban as part of a continuing appropriations resolution. Keeping the pressure on, the Senate added a Cambodia bombing prohibition to a routine measure to extend the debt ceiling.

Faced with the prospect of having to veto this essential legislation to avoid technically leaving much of the government without spending authority and in an illegal deficit position, President Nixon agreed to a compromise. During debate on a revised supplemental appropriations bill (H.R. 9055), the president sent word to Congress that he would accept a cutoff as of August 15, 1973, on bombing in Indochina. This was accepted by the House and Senate, and all of the affected legislation, except the debt ceiling bill from which the ban was deleted, was modified accordingly.

Thus it was that Congress, despite years of frustration with the Vietnam War, helped substantially to bring our combat activities in Indochina to a halt by exercising its ultimate power: cutting off appropriations. The bomb halt measure was signed into law by the president on July 1, 1973 (Public Law 93-50).

April 2, 1974

EXECUTIVE CONTINUES TO IMPOUND FUNDS

One of the gravest constitutional questions confronting both the Ninety-third Congress and the courts is executive impoundment of appropriated funds. Congress maintains, and many courts have so held, that when it enacts an authorization bill, appropriates funds for the programs, and mandates the obligation and expenditure of the funds, the president must spend the money for the purposes for which appropriated, unless the Anti-deficiency Act applies. However, President Nixon has insisted that he has an inherent right under the Constitution to refuse to spend appropriated funds in order to hold down government spending, for other purposes relating to the economy, or to set priorities for allegedly competing needs. Although the courts have not sustained these views, the executive branch continues to impound funds.

Both houses have passed remedial legislation concerning impoundment control by Congress. The House version (H.R. 8480) would require the president to notify Congress and the comptroller general within ten days whenever he impounds funds. This bill would provide a procedure pursuant to which either the House or Senate could require the president to end the impoundment within sixty days after notification of the impoundment action. The comptroller general would analyze each executive impoundment message, give his opinion as to the legality of the action, and inform Congress of any impoundment not reported by the president. The comptroller general would be empowered to bring suit against any executive branch official to force compliance with the anti-impoundment law.

Debate on the measure indicated considerable feeling on the part of House members that presidential impoundments are a reflection of an inability of Congress to decide among competing priorities, that this forces the executive to make spending cuts, and that the ultimate answer is not impoundment control but budget reform. To assuage these members, the House bill would impose a congressionally mandated spending ceiling of \$267.1 billion. Nonetheless, the majority of House members appear interested in minimizing a president's ability to use impoundment as an item veto to thwart the collective judgment and determination of Congress.

Yet the imposition of a spending ceiling would run at cross purposes, at least with respect to fiscal year 1974, with the anti-impoundment thrust of the bill. This is because the president would be directed to impound funds—within certain guidelines—as necessary to keep federal spending at \$267.1 billion. While this impoundment would be congressionally directed, it would grant the president considerable ability to withhold funds for the purpose of negating congressional intent.

Earlier the Senate passed its version of an impoundment control bill (S. 373). Both bills have an identical goal: improved congressional scrutiny of and authority over impoundment. The Senate bill, however, would require cessation of any impoundment not approved within sixty days by action of both House and Senate, require the comptroller general to determine whether an impoundment is within the scope of the Anti-deficiency Act, and permit Congress to disapprove only part of an impoundment.

The House and Senate versions were unresolved in conference as the first session ended. The final version is stalled in part because some members are concerned that passage of the bill would constitute recognition of greater impoundment authority in the presidency than they believe exists under the scheme of government envisaged by the Constitution. In the meantime, Congress seems content to await the outcome of the multitude of anti-impoundment suits in the courts. Congress has facilitated these actions

by enacting and extending a joint resolution (Public Law 93-52), which grants jurisdiction to federal courts to hear impoundment suits brought with respect to funds appropriated for a particular fiscal year after the close of the year.

CONGRESS REASSERTS POWER OF PURSE

One of the most important undertakings thus far by the Ninety-third Congress has been a resurgence of its effort to regain control over the determination of federal priorities and spending—a reassertion of Congress's power of the purse. Congress began forfeiting this power years ago when it enacted the Budget and Accounting Act of 1921. Today the result is a presidential budget request that, while initially conceived as only a recommendation, has become the budget in the executive's mind, and an omnibus Office of Management and Budget that through its apportionment authority can effectively thwart congressional mandates.

Congress has been working on a number of plans to give it control over national spending. Details of the proposals vary, but essentially what is emerging is a scheme whereby Congress would set revenue and spending levels in each session by means of a concurrent resolution drafted by House and Senate budget committees. These committees would be aided by a congressional Office of the Budget, analogous to the executive's OMB. Authorization measures would have to be passed by a date certain early into the year, followed by enactment of a resolution setting a spending ceiling and by subsequent enactment of appropriations bills later in the year. The federal fiscal year would be changed to commence on October 1. Both bills contain varying versions of procedures by which excessive appropriations would be reconciled with the spending ceiling, either by effecting cutbacks in spending or passing revenue raising legislation.

The Senate Committee on Government Operations worked on budget control legislation during most of 1973 and has sent its bill (S. 1541) to the Senate. The House Rules Committee has reported the proposed Budget Control Act (H.R. 7130), the product (along with S. 1641) of a joint study committee on budget control. Other bills—the Congressional Budgetary Review Reform Act (S. 905) and the Fiscal and Budgetary Reform Act (S. 1030)—also have been introduced. Another proposal (S. 1214) would require copies of agencies' budget requests to be forwarded to Congress when sent to the president.

Critics of these and like measures contend that the budget committees would become conservative and inflexible supercommittees dominated by senior members of the House and Senate Committees on Appropriations, the House Ways and Means Committee, and the Senate Finance Committee. Others maintain that the scheme would be ineffective, that Congress should adopt a multiyear (for example, three-year) budget, and should combine the authorization and appropriations processes.

Quarrels persist over the means, although nearly everyone in Congress agrees on the end: Congress must regain control over the expenditure of federal funds. Congress could play no greater role on the domestic scene than to establish procedures for the maintenance of its authority over setting priorities by means of the budget and federal spending.

LEGISLATION REQUIRES CONFIRMATION OF APPOINTEES

The Ninety-third Congress has endeavored mightily to extend the Senate's power to confirm presidential nominations to a wider range of executive branch officials. The effort began early in 1973 as part of an adverse reaction to the impoundment of appropriated funds. The House and Senate passed legislation (S. 518) requiring Senate approval of appointees to the positions of director and

EXTENSIONS OF REMARKS

deputy director of the Office of Management and Budget, including approval of the incumbents in those positions. However, the president vetoed the measure, and the House sustained the veto.

In the meantime, however, comparable legislation was being initiated. The Senate and House have passed bills (S. 37, S. 2045, H.R. 11137) requiring confirmation of future appointees to the OMB posts, as well as of the executive secretary of the National Security Council and the executive director of the Domestic Council. The Senate passed a bill (S. 590) requiring that future appointments of other executive branch officials be subject to Senate confirmation. The Senate has also approved legislation making appointees to the Cost of Living Council subject to Senate confirmation (S. 421).

The Senate Democratic Caucus approved a resolution requiring nominated cabinet officers and other executive branch officials, as a prerequisite to confirmation, to agree to appear and testify before Senate committees in response to a request and to give a commitment to testify when requested. The Senate committees are complying with this policy of the majority party.

The House early in 1973 passed a resolution (H. Res. 132) to establish a Select Committee on Committees to study the organization, jurisdiction, and operation of all House committees. The hearings and panel sessions conducted by the select committee, which were the most significant development in the first session of the Ninety-third Congress leading toward internal reform of Congress, explored the allocation of committee responsibilities, staffing needs, and use of computers.

The select committee is expected to propose ways to eliminate duplicative work by and the overlapping of jurisdictions of House committees and to control the creation of subcommittees. The committee also will advocate mechanisms for intercommittee cooperation on legislation, such as a joint referral system, a bill referral appeals process, joint hearings, and greater use of *ad hoc* committees. It is further expected to propose that the House organize itself before the opening of the first session of a Congress, so as to make more productive use of the opening weeks, and to suggest reforms in the areas of congressional oversight procedures and the scheduling of business.

PROCEEDINGS ARE TELETYPEDED TO MEMBERS' OFFICES

The House Subcommittee on Legislative Reorganization has proposed House rules changes with respect to an increase in the membership requirement for recorded teller votes, leadership control over the extent of quorum calls, and the handling of nongermane amendments by House conferees in conference committees.

The Joint Committee on Congressional Operations has established a pilot system for immediately reporting congressional proceedings by teletype to members' offices. This is designed to contribute to the efficient use of members' and staffs' time and to provide summaries as valuable planning and reference materials. The joint committee also held hearings on the subject of the constitutional immunity of members of Congress and is continuing to issue reports summarizing pending court actions involving Congress.

Prompted by recent disclosures concerning political campaign gifts, Congress set about to reform the campaign financing laws. Chief among the measures under consideration are bills providing for public financing of federal elections (S. 1103, S. 1954), which have been the subject of hearings by a subcommittee of the Senate Committee on Rules and Administration. Other pending legislation includes the proposed Campaign and Election Reform Act (S. 1766) and the Campaign Mail Act (S. 1096). The House Sub-

committee on Elections is holding hearings on election campaign reform legislation.

The House on numerous occasions during 1973 broke with its established operating procedures with respect to tax legislation. For the first time since 1929, legislation from the House Ways and Means Committee (H.R. 3577) was granted an open rule. Ways and Means and other committees held several open executive sessions. The House Rules Committee granted a rule to permit a non-germane "tax reform" floor amendment to a debt-ceiling measure (H.R. 11104), although the committee subsequently reversed itself.

Three subcommittees of the Senate Committee on Government Operations and the Judiciary Committee held joint hearings on "executive privilege" legislation (S. 2432, S. Con. Res. 30) relating to congressional and public access to official government information, and they have begun final preparation of the measures. Hearings have also been held on a measure (S. 1923) to require federal agencies to keep congressional committees fully and currently informed.

The Senate Subcommittee on Separation of Powers held oversight hearings on the activities and procedures of executive agencies. The separation of powers subcommittee also has approved a bill (S. 1472) to permit Congress to review and disapprove executive agreements (rather than only treaties) between the United States and other nations.

The Senate Judiciary Committee and a subcommittee of the House Judiciary Committee held hearings on proposed legislation to establish an Office of Special Prosecutor independent of the executive branch. The House Judiciary Committee has reported such a bill (H.R. 11401) to the House.

CAUSE OF CONGRESSIONAL REFORM HAS ADVANCED

The Ninety-third Congress has forthrightly approached the related subjects of internal reform and interbranch relationships along a wide range of fronts. Several of these efforts, such as caucus rules changes, the war powers measure, cessation of Indochina war activities, and the broadening of the Senate's power to "advise and consent," culminated in success in 1973. Other items, such as impoundment and budget control legislation, may be enacted before the close of the second session. The groundwork for further progress is being laid in still other areas. The Ninety-third Congress thus far has significantly advanced the cause of congressional reform. Additional reforms lie ahead this year.

INCOME TAX RETURN FOR 1973

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. HUNGATE. Mr. Speaker, in accord with my regular practice since coming to Congress, I again disclose my income as shown by my most recent income tax return for the year 1973, due and filed in the year 1974.

My joint personal income tax return, form 1040, line 9, shows my congressional salary of \$42,500. Line 11 shows interest income of \$836. Line 12 shows other income as \$4,990, consisting of an accounting for receipts to my nonpolitical Legislative Service Fund of \$4,411, income from honoraria, musical compositions and recordings of \$998, and a rental loss of \$419, primarily due to fire loss in July 1973.

April 2, 1974

My total income, as noted on line 13, was \$48,326, less line 14 of \$5,429, consisting of adjustment for allowed congressional living expenses attending Congress in Washington, D.C., \$3,000, and \$2,429 for stationery, travel, and office operating expenses in excess of reimbursement, leaving an adjusted gross income of \$42,897, as shown on line 15.

Form 1040, schedule A, shows total deductions of \$11,385 on line 41, consisting of State and local taxes of \$3,144.82, interest paid of \$1,101.22, charitable contributions of \$1,374.50, and allowable medical and dental deductions of \$150. Miscellaneous deductions due to casualty loss, dues, and storage were \$444.90, non-political committee, that is, newsletters, questionnaires, were \$3,156.65. Bulletins, district office expenses, printing and recording expenses were \$1,244.60. Miscellaneous congressional expenses consisting of constituent entertainment, newspapers, periodicals, and so forth, were \$768.75.

The total income tax, Form 1040, line 16, is \$7,592.18, less a tax credit of \$25, noted on line 17, making the total income tax of \$7,567.18, shown on line 18. Line 19 shows the total self-employment tax of \$80, making the total amount due of \$7,647.18, shown on line 20. The total net Federal income tax withheld, line 22, was \$11,330.40. There was an overpayment per line of \$3,683.22, of which a refund of \$2,083.22 was requested, leaving the balance of \$1,600 overpaid to be credited on the 1974 estimate. The Missouri State income tax paid was \$1,137.

I do not own any stocks or bonds.

In accordance with the Federal Election Campaign Act of 1971, Public Law 92-225, all receipts and expenditures of campaign funds are handled by the Hungate for Congress Committee, Identification No. 007820, Don Thompson, treasurer, Troy, Mo., and I have no direct control over such funds. That fund filed its own income tax returns for 1972 and 1973 and showed no income and no income tax due.

A LETTER TO THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

HON. FRANK M. CLARK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. CLARK. Mr. Speaker, the attached letter was sent certified mail today to Secretary Caspar Weinberger in response to a letter I received addressed to me, but was of such a general nature concerning the Department, I cannot but assume it went to all Congressmen. I would like this inserted in the CONGRESSIONAL RECORD of April 2, 1974.

The letter follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 2, 1974.
Hon. CASPAR W. WEINBERGER,
Secretary, Department of Health, Education,
and Welfare, Washington, D.C.

DEAR MR. SECRETARY: Your letter of March 28 arrived in my office this morning,

EXTENSIONS OF REMARKS

and I must say I was very surprised when I read it.

Your last paragraph stated to "please let you know personally if you feel that the Department is not responding appropriately to your inquiries". How does one reach you? I have been trying since last fall to get an appointment with you concerning research training grants in pediatric hematology. I have had correspondence with your Department since the fall of 1972 concerning this. Dr. David Nathan, Chief, Division of Hematology, Associate Professor of Pediatrics of the Harvard Medical School, has had correspondence with you dating back more than a year. Congressman Tip O'Neill is to attend this meeting and his office has been trying to help me get a meeting with you, to no avail.

Dr. Nathan is to attend the meeting along with Joe Giusti, Director of The Pennsylvania State University, whose daughter Susan has a very serious blood condition.

Your letter said a good place to start is in your Congressional Liaison Office—what a farce. I used to think Katrina Schulhof did a pretty fair job, but she apparently has become too important with her job or herself to bother returning my calls. Her assistants I find very incapable. In fact, why do you have a Liaison Office at all?

Since you have extended yourself to the point of putting out a letter stating how to find information in your Department, why not start with yourself and have your secretary contact me or my Administrative Assistant, Mrs. Farlow, to set up a meeting? Please don't refer this letter to your Liaison Office as I don't want to bother any further with their inefficiency.

I am also putting this letter in the CONGRESSIONAL RECORD of April 2 for you to read. Your letter, although addressed to me, was of such a general nature concerning the Department, I cannot but assume it went to all Congressmen. I, therefore, felt my colleagues would also want to read it.

Sincerely,

FRANK M. CLARK,
Member of Congress.

FORMER ILLINOIS BAR PRESIDENT CALLS FOR END OF LEGAL AID ABUSE

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. STEIGER of Arizona. Mr. Speaker, about a year ago the administration was trying to close down the largely wasteful Office of Economic Opportunity. This year we are going to be asked to vote on legislation to make permanent the most objectionable part of that so-called antipoverty effort, the Legal Services program. Mr. President, I am sorely afraid we are making a rash judgment. However, I recognize that there is still time for a rethinking of the Legal Services Corporation. I most earnestly hope that my colleagues give that idea the serious rethinking it requires.

Few items on our agenda have received the prolonged and heated attention that the Legal Services in its pros and cons has. I am glad of that national debate. I do not think it has been fully adequate yet, however, so I would wish it could continue longer. I believe that the opinion of the majority of Americans has not been really heard; I also believe that the

opinion of the legal profession and the organized bar has been insufficiently represented.

By way of evidence for that last statement, I offer a letter, which was originally sent to Mr. Howard Phillips, then Acting Director of OEO, at the time he had testified before Congress regarding his plans for the future of OEO. This letter, from Henry L. Pitts, a former president of the Illinois State Bar Association, commends Phillips for his efforts, and indicates his desire that lawyers for the poor should represent the poor, not ideological causes. I think it is typical of the sentiment in the heartland regarding legal services, and I would urge all my colleagues to listen more closely to such voices from the country before making any rash decisions on the future of Legal Services.

HACKBERT, ROOKS, PITTS,
FULLAGAR AND POUTS,
Chicago, Ill., February 28, 1973.
Mr. HOWARD J. PHILLIPS,
Director, Office of Economic Opportunity,
Washington, D.C.

DEAR MR. PHILLIPS: I have read with interest an article that appeared in the *Chicago Tribune* on Monday, February 26, which included an extensive account of the questions and answers growing out of a conference which you had with newsmen concerning your administration of the Office of Economic Opportunity. Notwithstanding the obvious tone of the "when did you stop beating your wife" questions, I was much impressed with your articulation of what I believe to be a sound approach to the administration of OEO.

I have more than the usual interest that all lawyers should share in the legal services program of the OEO for two reasons. First, I was president of the Illinois State Bar Association during a period when we were trying to carry out a program under the aegis of the OEO with disappointing results which brought sharper realization of the economic waste which seemed to me inherent in carrying out the views of some of the Washington representatives. Secondly, as a member of the House of Delegates of the American Bar Association I have been close to the controversy between Vice President Agnew and some elements of the bar on one aspect of the legal services program. While all of us should agree that a lawyer must represent his client with complete fidelity I don't think that is the real basis for the controversy. I have observed that many of those who parade under that banner are actually more interested in advancing their own social and political views than they are in serving the individual legal needs of the poor. In short, I think that lawyers represent clients and not causes.

I wish you well in your efforts to bring some new direction to this program.

Sincerely,

HENRY L. PITTS.

NATIONAL SMALL BUSINESS ASSOCIATION PROPOSES PROGRAM OF CATCH-UP GROWTH FOR SMALL BUSINESS

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. EVINS of Tennessee. Mr. Speaker, as you know, the National Small Business Association recently presented its

legislative program to the Select Committee on Small Business of the House, and more than 100 Members and/or their administrative assistants attended this briefing.

Mr. Speaker, you were most kind to take the time from your busy schedule to appear at the briefing and greet and welcome the officials and members of the National Small Business Association.

Your expression of keen interest in the survival of American Small Business is deeply appreciated.

In this connection, I place in the RECORD herewith the highlights of the program and presentation by Ken Anderson, president of the National Small Business Association and president of Artex International, Inc., Highland, Ill.; Carl Beck, president, Charles Beck Machine Corp., King of Prussia, Pa.; Milton Stewart, president, Clarion Capital Corp., New York, N.Y.; and Thomas Rothwell, partner, Rothwell, Cappello & Berndtson, Washington, D.C.

The highlights of their recommendations follow:

First. The adoption, enactment, and implementation of a 15-year program that will double the share of the market now held in each industry by small and medium-size business.

Second. Establishment of a separate, Cabinet-level department within the executive branch of the Federal Government—a Department of Small Business. This will insure that the 10 million small- and medium-size businesses have proper representation and clout within Government to advance its cause and defend its interests.

Third. A two-tier statutory principle must be substituted for the "equality of treatment" concept so that the smaller companies will be favorably treated throughout the whole range of law.

Fourth. The writing, by Congress, of a "Tax Magna Carta for American Small Business," which would have three parts:

Enactment of the Evans-Bible small business tax simplification and reform bill; modification of the capital gains tax to spur investment in small business; and review of other provisions of the tax code to include either scrapping or updating the inequitable fixed-dollar concepts. It would turn the tax code into a hard-driving battering ram which will enable small business to recoup the position which it has lost.

Fifth. A progressive transactions tax on mergers and acquisitions, all in the public interest.

THE RIGHT TO PRIVACY

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. CORMAN. Mr. Speaker, an individual's right to live his life without arbitrary and unreasonable interference by the Government is so fundamental as to be beyond dispute. It is reflected in the Bill of Rights and has been judiciously protected by the Supreme Court in a series of landmark cases.

EXTENSIONS OF REMARKS

Yet, that right is slowly eroding. The application of new technologies to old bureaucratic methods has created an information gathering and retrieval system of staggering dimensions. Tens of millions of raw, unchecked files on persons having only the most routine dealings with the Federal Government threaten its very existence.

The Defense Department, Justice Department—including the FBI—Social Security Administration, Civil Service Commission, and Internal Revenue Service are a few of scores of Government bureaus and agencies maintaining such files. The information contained in them is sometimes false, often misleading, and usually based on hearsay.

Present law does not require an agency to notify an individual that it is keeping a file on him. Nor does it allow a person to inspect his file or to add supplementary material. The result is that, among other things, an individual may be unjustly denied a job, full veteran's benefits, a Federal loan, or a Government contract.

For this reason, I have cosponsored legislation which would require each Government agency maintaining personal files to: First, notify the individual that a record exists; second, notify the individual of all transfers of such information; third, disclose information from such records only with the consent of the individual or when required by law; fourth, maintain a list of all persons inspecting such records; and fifth, permit the individual to inspect his records, make copies of them, and add supplementary information.

This should only be the beginning. More legislation is needed to restrict the use of corporate personal information and to regulate the proliferation of companies whose business it is to maintain such files.

The need for individual privacy is essential to our way of life. Any arbitrary and unreasonable intrusion, no matter how minor, cannot and should not be tolerated by the American people. For the cumulative effect of these minor violations is a Government viewed with suspicion and a society bereft of individual freedom and dignity.

GERMANS CALL FOR GREATER ATLANTIC COOPERATION

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. FINDLEY. Mr. Speaker, a Youth for Federal Union Conference, attended by a number of young American and German political leaders, was held recently in Bad Liebenzell, West Germany.

Under discussion were various ways of promoting Atlantic Union, a concept which envisions the bringing together of the democracies of our Western European Allies with the United States and Canada, in a single federal government.

The federal principle is perhaps the supreme American contribution to the art of democratic government. The sug-

gestion that it be utilized in an effort to achieve a more effective unity with the North Atlantic States, a unity which would represent a massive advance in political institutions, is a tribute to the American past, as well as a road to the future.

Despite the differences which have developed in recent years between the United States and some of our NATO allies, support for the Atlantic Union is broad. For example, several prominent German leaders, including Dr. Helmut Kohl, chairman of the Christian Democratic Union, Mr. Franz-Joseph Strauss, the head of the Christian Socialist Party, and Mr. Walter Scheel, the German Foreign Minister, addressed the youth conference. They praised the concept of Atlantic Union, pointing to the challenge to freedom presented by the Warsaw Pact as evidence of the need for closer Atlantic cooperation.

I would also like to note the declaration by the British Atlantic Youth. Speaking eloquently as representatives of the main political parties and of none, they conclude with a call for an eventual political union of the Atlantic peoples.

The texts are as follows:

ADDRESS BY MR. FRANZ-JOSEF STRAUB, CSU PARTY LEADER

The political development during the very last few weeks has shown the importance of a close German-American alliance. I did not only agree on that point with my American opposite numbers in Washington last month, but I also stressed this during the last few days in the German Bundestag as well as in various statements in front of the German and European public. The solidarity between Germany, the free Europe and the United States of America is based on common philosophical and political ideals, which have to prove their worth again and again, and for which we have to stand up unitedly. The proof of this attitude can only grow from a close philosophical and political contact, from mutual understanding and personal friendship, and must particularly find response in our youth, because it is they who will govern the world. It is the task of all of us to work towards the object that this world will be able to live in freedom. To this effect I wish the best of success for the Youth for Federal Union Conference in Bad Liebenzell and for its work.

ADDRESS BY MR. WALTER SCHEEL, FOREIGN MINISTER OF THE FEDERAL REPUBLIC OF GERMANY

The conference of Youth for Federal Union is a welcome occasion for me to send you my cordial congratulations. With this I connect my acknowledgement of the work you achieved. Your activities for Good German-American relations will also be of great importance for the future strengthening of the Atlantic Alliance as well as for the cohesion of the partnership. I wish you the best of success for the conference.

ADDRESS BY DR. HELMUT KOHL, CHAIRMAN OF CHRISTIAN DEMOCRATIC UNION, GERMANY

Ladies and Gentlemen: You have chosen the problem of Atlantic relations to be the core of your conference program and you will discuss this subject from several aspects. In doing so you stand up for a central theme of our days, at times in which European-American relations are not good, let alone the German-American relationship which is not far away from the freezing point.

This situation confronts us Germans and Europeans with urgent tasks which we may not neglect, if we do not want to suffer immeasurable damage. We have to proceed

from the realization that only alliance with America guarantees European security. The idle talk of neutralization of the Federal Republic or Europe, which occurs here and there, is thus disposed of anyhow.

However, we can only assure ourselves of a durable partnership with the USA, if we, as Europeans, create the necessary preconditions: integration in all areas in order to be able to act politically as one community. Europe's lamentable attitude during the current oil and energy crisis makes us drastically realize the importance of this demand.

At the same time, however, we have to turn our minds to the philosophical and socio-political challenge by the communist states of Eastern Europe. We may not counter this only materially or remain in a position of preserving only. We must counter it in an offensive way—offensive by the further development of our social order. European politics therefore must be pre-eminently freedom-oriented social politics.

Only an attractive Europe from the socio-political point of view will contribute to the surmounting of inner-European tensions, will encourage social justice and will thus be able to make a contribution in solidarity to social and economic progress in our world.

Only a unified Western Europe will be able to assume its due position enjoying equal rights with its partner America in the framework of a newly formed Atlantic Alliance.

Both demands, however, can only be realized, if all groups within our population, and particularly our youth, are convinced of the importance of a unified Europe. You are taking one step in this direction by driving the concept and commitment for Europe and Atlantic partnership further home to German and American youth leaders. For this gratitude is due to you.

I wish you the best of success for the conference.

ATLANTIC YOUTH DECLARATION

We, the undersigned, young citizens of the United Kingdom representative of the main political parties and of none, address this Atlantic Declaration to our fellow citizens in the United Kingdom, Europe, and North America, and to the Governments of all European and Atlantic countries, in the hope that the need for Atlantic Unity will not be neglected.

We believe that the liberties of individuals and the territorial integrity of Nations are fundamental bastions of free civilised peoples.

That these bastions are preserved in the Atlantic Community.

That Unity within the Atlantic Community is essential to the preservation and furtherance of these ideals.

That the forces of international disharmony present a threat to the peace and freedom of the democratic peoples of the Atlantic Community.

We further believe in social harmony and economic justice within States and urge that due regard be given to policies which bring about that harmony.

In the need for greater ties amongst western youth, particularly bearing in mind the almost universal acceptance of votes at eighteen.

In youth exchanges between western Europe and north America, in the extension of European and American studies, and in joint educational exchange programmes from the two continents.

In an extended trade partnership between the European Economic Community and North America as a basis of an Atlantic Economic Community and its attendant desirable political consequences.

In more measures to ensure common defence among the Atlantic peoples with defence contributions fairly shared among respective countries.

In a united Europe as an outward-looking political and economic system.

EXTENSIONS OF REMARKS

In the eventual political union of the Atlantic peoples.

Recognising that by joining the respective strengths of the Atlantic peoples the whole world is more likely to be ensured of a lasting peace and prosperity.

JUDGING THE PRESIDENT

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. WALDIE. Mr. Speaker, as a member of the House Judiciary Committee, I was asked by Ms. Blake Fimrite, of Newsday, to describe my position on the difficult responsibility of passing judgment on the President of the United States. My comments as published in Newsday follows:

JUDGING THE PRESIDENT

It would be difficult for any person to approach the responsibility of passing judgment on the President of the United States without, at some point, feeling private doubts and experiencing some sense of inadequacy and, even, apprehension.

Even to pass judgment on Richard Nixon as a private person and not as a President presents some difficulty to me. Confronted with Richard Nixon only as a private individual, I would be deeply involved with a sense of personal sympathy for a man whose career and fortunes have proven ultimately tragic, not only for the country, but for him and his family. The extent of his personal responsibility for his plight only slightly mitigates my sympathy for a human being reduced to the pitiful remnants of reputation that Mr. Nixon now possesses.

But it is not as a private person judging another private person that I am asked to confront and judge the performance of President Nixon. It is, instead, as a member of the House of Representatives sworn to uphold the Constitution and to perform the constitutional responsibilities of my office. Among those responsibilities at this moment in history is the solemn, unwelcome duty of determining if the President has committed impeachable offenses in violation of the Constitution.

As a member of Congress judging a President, I seek to insulate myself from some of the doubts, misgivings and uncertainties that I would possess as an individual not entrusted with this constitutional obligation.

It has not been easy to free myself from all self-doubt and hesitation. Like most Americans, I was raised with—and have never lost—the tinge of awe and veneration we attach to the office of the presidency. And I have generally felt almost equal awe and respect for its occupant.

But perhaps too much awe and veneration have been granted to those who have occupied the office in recent years, and that has contributed to the tendency of Presidents to consider themselves more important than their office. That is why a President can confuse his personal "diminution" with a "diminishing of the office of the presidency."

President Nixon is all too aware of the tendency of most Americans to practically enshrine their Presidents. It is his knowledge of this characteristic that has prompted the arrogance he has lately displayed in seeking to deny access to evidence in his possession sought by those official bodies investigating presidential misconduct. The President has imperiously ordered one special prosecutor to be fired because of his insistence on probing for truth; he has imperiously ordered another special prosecutor to cease seeking additional evidence from the

April 2, 1974

White House; and he has given every public indication that his arrogance will similarly extend to the House Judiciary Committee conducting the impeachment inquiry.

As President Nixon has succumbed to the tendency to believe he is entitled to veneration and to enshrinement; as he has increasingly manifested conduct exemplifying his personal conviction that he is "larger than life"—that the President is more important than the presidency—he has brought about a convincing metamorphosis in my personal attitudes toward this particular occupant of the office.

My awe and reverence have disappeared. I have begun to experience unease and uncertainty at the possibility of the President continuing in office and continuing to believe his fate is more important than the fate of his country.

And so, finally, I find no trepidation, no fear, no uncertainties, as I approach the responsibility of judging the President of the United States.

In the final analysis I participate with eagerness. I am fully persuaded that for future Presidents to be deserving of the veneration and respect that past Presidents have received, we must judge—and judge clearly—those Presidents who tarnish and diminish their office. That responsibility is no occasion for reluctance or misgivings—it is an occasion for determination and resolve.

AIDING SOUTH VIETNAM

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. HUBER. Mr. Speaker, the House will be called upon this week to decide whether or not to provide some insurance for our large and costly investment in a non-Communist Vietnam or whether to invite North Vietnam to conduct yet another large-scale invasion of that already devastated land. In my opinion, the Richmond Times-Dispatch of Friday, March 29, 1974, made a case for additional aid very well and I commend it to the attention of my colleagues. The article follows:

AIDING SOUTH VIETNAM

Predictably, senators like Edward Kennedy, D-Mass., and George McGovern, D-S.D., who would have abandoned South Vietnam to the Communist wolves when the going was tough for the United States are leading the fight to throw Saigon to the pack now that American troops no longer have to fight in that Asian land.

The Senate "doves" have lined up against a Pentagon proposal to shift \$474 million in left-over authorizations to help South Vietnam meet its defense costs, which have risen because of petroleum price increases and general inflation. Unless Congress permits this boost, it is anticipated that South Vietnam will be forced to curtail acutely its military operations.

But, unpredictably, the liberal faction has received some succor from Sen. Barry Goldwater, R-Ariz., the dean of Capitol Hill conservatives. Goldwater said he thought he could support Kennedy's amendment because Vietnamese inflation was no reason for boosting congressional ceilings on military aid for Saigon. Besides, Goldwater said: "For all intents and purposes, we can scratch Vietnam. I think it's evident that the South will fall into the hands of the North."

Now, that is the kind of straightforward talk that has helped make Goldwater a hero to many Americans, but it is not—we would

submit—the kind of sensible reasoning that equally should be expected from that eminent conservative. For if the senator would examine his statement, he would have to conclude that logically he should oppose not just the requested supplemental allocation for South Vietnam but also the \$1.1 billion basic amount for that nation's defense. For if the anti-Communist cause is manifestly moribund in Vietnam as Goldwater implies, then not one dollar more should be spent there.

But the evidence is that South Vietnam's future in the face of continuing Communist aggression is far from being hopeless. Since the agreement calling for the withdrawal of American combat forces was signed 14 months ago, the South Vietnamese have tenaciously held provincial capitals and major population centers in spite of North Vietnam's infiltration of some 130,000 troops into the south in violation of the agreement. The American Security Council, after a recent fact-finding mission that included conservative Rep. Philip M. Crane, R-Ill., concluded that the next two years would be crucial to the ability of South Vietnam to remain a non-Communist nation.

"It would be a mistake of historic proportions," the group said, "should Congress accept now the argument of critics who contend that the U.S. participation in the defense of South Vietnam was all wrong and that the U.S. should cut its losses and abandon the South Vietnamese as a hopeless cause."

If for no other reason, Congress ought to be interested in South Vietnam's success in order to protect a huge American investment already made there: 50,000 lives and \$130 billion. But beyond that concern, Americans ought to have somewhere amid their boredom and self-centered concerns, at least a tiny spark of compassion for the brave people of South Vietnam who do not want to be conquered and who are resisting with all their might.

NUECES RIVER PROJECT IN TEXAS

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

MR. DE LA GARZA. Mr. Speaker, in conjunction with my colleagues the Honorable JOHN YOUNG and the Honorable ABRAHAM KAZEN, I am introducing today a bill authorizing the Department of the Interior to construct, operate, and maintain the Nueces River Project in Texas.

This bill is similar to legislation previously introduced in the House but provides for a greater degree of local participation.

The project calls for the construction of Choke River Dam and Reservoir on the Nueces River. The reservoir would be a source of added water supply for the large and growing city of Corpus Christi.

My bill authorizes the appropriation of \$50 million. Prior to the appropriation of any Federal funds, however, local interests would make a contribution of of \$15 million. Upon completion of the work this sum would be applied as a credit to the repayment obligation of the local entity—in this case, the city of Corpus Christi—for municipal and industrial water service.

Mr. Speaker, this much-needed project has long been discussed. The State of Texas found it to be feasible and in the

EXTENSIONS OF REMARKS

public interest. It has the wholehearted support of the city officials of Corpus Christi and all other communities in the area. Extensive studies have shown the Choke Canyon site to be the most economically feasible in meeting the water needs of the area. The Interior and Insular Affairs Subcommittee on Water and Power Resources last November held onsite hearings on the project.

It is time to move ahead on this important and necessary project.

AGAINST PSRO'S

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

MR. LOTT. Mr. Speaker, every American has a right to privacy. Nowhere is this most fundamental principle more essential than in lawyer-client, priest-penitent, and doctor-patient relationships. But these privileged relationships and the right to privacy are being eroded daily.

There has been a disturbing trend in recent years for some organizations and Government agencies to collect and exchange medical records as a matter of routine. Patient's records have actually been punched into computers where they are made available to credit agencies, insurance agencies, and others who want the information.

Even more disturbing, though, is a section of Public Law 92-603 which is commonly called professional standards review organizations—PSRO. This Federal law will require millions of Americans to have their medical records fed into data banks and exposed to clerks and other bureaucrats before patients can be reimbursed for their health care expenses.

Section 1155(a)(1) of Public Law 92-603 says, in part—

Notwithstanding any other provision of the law, but consistent with the provisions of this part, it shall . . . be the duty and function of each Professional Standards Review Organization for any area to assume, at the earliest date practicable, responsibility for the review of the professional activities in such area of physicians and other health care practitioners and institutional and non-institutional providers of health care services and items for which payment may be made (in whole or in part) under this Act.

Paragraph (4) of the same section continues:

Each Professional Standards Review Organization shall be responsible for the arranging for the maintenance of and the regular reviews of profiles of care and services received and provided with respect to patients, utilizing the greatest extent practicable in such patient profiles . . . Profiles shall also be regularly reviewed on an ongoing basis with respect to each health care practitioner and provider to determine whether the care and services ordered or rendered are consistent with the criteria specified . . .

This means all physicians' records must be made available to the bureaucrats, and that laymen will be authorized to inspect these records as well as doctors' offices. In addition, physicians will be required to keep patient profiles for regular review by clerks and bureaucrats.

It is easy to find reasons for investigating the private lives of citizens. Some argue that the Government needs more information about individuals in order to legislate wisely, while others assert that such information is essential for national security.

Arguments such as these, however, can lead to excesses. The theft of the Pentagon papers, credit data banks, and the use of social security numbers to collect information that is in no way related to Social Security Administration are prime examples of the extremes to which some people in Government will go.

Unfortunately, PSRO law not only invades the right to privacy enjoyed by every American; it violates the confidentiality of the privileged doctor-patient relationship.

HON. WILLIAM S. MAILLIARD

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1974

MR. BURTON. Mr. Speaker, I should like to congratulate and extend my best wishes to my distinguished colleague, Bill Mailliard, as he assumes his new responsibilities as United States Ambassador to the Organization of American States.

In our years of service together, I have valued his friendship and I will continue to do so.

Bill Mailliard has represented the people of California and the Nation with honor, ability, and integrity.

He has, as a Member of the House, reflected great credit on a proud San Francisco name and in this new post he will, I am sure, continue to gather new honors in the service of the people of this Nation.

Bill Mailliard is the only Member of Congress to serve simultaneously as the ranking minority member of two committees; the House Foreign Affairs Subcommittee on International and American Affairs and the House Merchant Marine and Fisheries Subcommittee on Panama. Both of these committees have specific jurisdiction over matters relating to the Organization of American States.

Bill Mailliard has worked to preserve and protect open space. He has sponsored legislation which established the Farallon National Wildlife Refuge, the Point Reyes National Seashore and the Muir Woods National Historic Monument.

He was the lead coauthor of my legislation establishing the Golden Gate National Recreation Area.

His authorship of the Merchant Marine Act of 1970 was of critical importance to the San Francisco Bay Area because of its incentives for increased shipbuilding and added employment.

Bill Mailliard voted his convictions and supported legislation which many might have avoided. He voted his conscience on such issues as busing and the Vietnam war, although his position might have run contrary to a sizeable segment, if not a major segment of his constituency. Bill and I differed markedly on the Vietnam war.

April 2, 1974

While Bill Mailliard's work in the last few years has been heavily concentrated in the area of foreign affairs, he has demonstrated an extreme alertness and awareness of our domestic problems; one example of his interest has been his continuing efforts to secure funding for low- and moderate-income housing for both San Francisco and Marin counties.

Bill Mailliard is a man of stature and character who brings to his new assignment the good will and esteem of all who have been privileged to work with him this body.

He has my most sincere best wishes and congratulations.

A TRIBUTE TO JOE ROBERTS

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. MURTHA. Mr. Speaker, if all the tickets Joe Roberts has sold, for one good cause or another over the past 40 years, were laid end to end they would reach all the way from here to heaven.

Joe Roberts has made a life's work out of service and it is a happy occasion for me—and a genuine privilege as well—to join with you tonight in paying tribute to a man who has given freely of his time and energy to civic and religious causes without number.

It is difficult to identify some small part of his work in the time we have here this evening. There are so many areas in which he brings the benefit of his talents for organization, for determination and accomplishment.

So many good and worthwhile activities, from the Boy Scouts where he is a member of the executive board of the Adm. Robert Peary Council, to a directorship at Mercy Hospital in Johnstown.

His awards are numerous and do not begin to cover his very substantial and excellent record of fund raising and civic endeavor.

Back in 1962 the Cresson Mens Club voted him Man of the Year, and in 1971 he received the Humanitarian Award from the United Cerebral Palsy Association.

He received the Citation of Appreciation Award from the American Legion and Home Health Service Award from the Northern Cambria County Home Health services; Numerous Girl Scout awards; pride in excellence awards from the Southern Alleghenies Planning and Development Commission; the Muscular Dystrophy Award for 1966-67. And the Urban Service Award from the Community Action Council.

Where does he find the time—the energy?

This man belongs—heart, soul, and body—to these organizations, he belongs as a participating, actively committed, concerned human being.

Yes, it has been said—and truly—that the strength of America is to be found not in her armies nor in her industrial or military might, but in her people; in the character and quality of individual men

EXTENSIONS OF REMARKS

and women dedicated to the common good. Voluntarism is not only a great American tradition, it is the mainstay of the democratic system. It is that citizen participation without which free government cannot endure.

Pick an area of interest and involvement—an area that has an immediate importance and Joe Roberts will be found in the forefront.

Ecology—Conservation—as a member of the Cresson Sportsmen Association you can be sure that he has supported the principles that make our air fresh and our waters clean in an environment that allows us to live in harmony with nature.

Education? As a member of the board of directors of Mount Aloysius Junior College he has an abiding desire to prepare our children for the contribution they will make to our society.

At this very moment there is a letter on my Washington desk with Joe's name on it, regarding a project which, if funded, would enable Mount Aloysius to survey the immediate community in depth, to determine its unmet educational needs and to design programs responsive to those needs as well as implement and evaluate those programs.

Now, of particular interest in this area, as you know, is the need for mining and railroad revitalization currently being projected as part of the solution posed by the current energy crisis. We must have answers to develop the techniques to assume a competitive stance. This project would produce a manual for management of educational and operational change in 2-year private institutions of private education. This same manual could be used in similar institutions.

I have been in contact with Sister Cecilia Meighan and Dr. Gardiner on this project, of course, and it is my intention to do all in my power to see to it that this work on junior college capability is funded. I mention it here as one example of the far-reaching interests of Joe Roberts. He asks that I do what I can—and I respond—because I know what is characteristic of Commissioner Roberts. He asks for what is good for Mount Aloysius—and for what, eventually, will be of benefit for the entire community—the entire congressional district.

Yes, Commissioner Roberts represents that sense of community concern and community involvement of which I have spoken. While satisfactorily discharging the duties of his office, he has also given dedicated service to such varied causes as scouting for boys and girls, the Order of Moose, the Pennsylvania Association for Retarded Children, the Red Cross, the Goodwill Industries, hospital work of various sorts. All this reflecting his commitment to the health and well-being of the whole community, as well as a lively interest in that spirit of fellowship that gives extra meaning to his life.

In these troubled times for America, times in which the values and ideals of our past are often neglected or derided, he has upheld the basic elements of any free society—loyalty to God and country. His patriotism has found expression

in the American Legion. His deep religious faith has found its larger outlet in the work of the Knights of Columbus and the Holy Name Society.

In times as these, there is a greater need than ever before for active religious commitment. Mere formal or external piety is not enough. There must be a genuine investment of self in the worship and mission of the church at every level. And that giving of self must proceed from a deep inner confidence in God and in his good will for man. Commissioner Roberts is no stranger to such a faith, as those who know him can testify.

He has made public service a way of life and a source of good for all. We know that these are days in which public service is often distrusted. There is a widespread loss of confidence in the integrity of public life and public service. The more valued, then, to see a man like Joe Roberts, whom we honor here tonight, for helping restore the dimensions of respect and the precious ingredient of trust without which no nation can live.

"While we have time" wrote the Apostle Paul, "Let us do good unto all men."

Truly that has been the guiding principle for Commissioner Roberts—and it is that kind of life which we recognize with gratitude.

Joe Roberts is no ordinary man.

While he speaks softly and, in his own gentle way moves mountains, there is nothing flamboyant about him that would indicate his tremendous drive and zeal. We, here in Cambria County, are immensely fortunate in having benefited from his extraordinary sense of service.

God grant that he will continue to serve the people—and his church—for many, many years to come.

And let me say this. Joe Roberts—while I have been saying these grand words in your praise—I say with all respect that you have no need of a single syllable from me. Your life is of itself a commendation.

I wish you every good thing—for you, your children, and those grandchildren of whom you are so proud. With luck, they may follow in your outstanding tradition of service and brotherly love.

HONOR OUR VIETNAM VETERANS

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mrs. HOLT. Mr. Speaker, I would like to take this opportunity to express the Nation's profound gratitude to our Vietnam veterans. Although March 29 was set aside as the day on which we honor our Vietnam veterans, I would hope that their achievements at the price of great personal sacrifice would be etched permanently into the American conscience, and that we would remain constant in our recognition of the debt we owe these brave men through the ensuing years.

As we enter our second year of peace, an honorable peace secured by the loss of thousands of our young men, by the lifetime of disability and suffering of many thousands of others, and by the displacement of the private lives of so many more, I earnestly hope that we will recognize our debt to our veterans. What more concrete evidence could we present to them than the passage of equitable legislation drafted to assure those who have returned of full employment and responsive educational benefits?

I know that my colleagues join me in this commitment as we honor the dedication and the valor of our Vietnam veterans with heartfelt awareness of their contribution to their country and to the free world.

LET'S GIVE FREE ENTERPRISE A CHANCE TO WORK

HON. ROBERT PRICE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. PRICE of Texas. Mr. Speaker, as is consistent with my standing policy, I insert the text of my current newsletter in the RECORD:

BOB PRICE REPORTS

LET'S GIVE FREE ENTERPRISE A CHANCE TO WORK

Our economy suffers from an energy shortage which has spawned shortages in fertilizer, synthetics and other vital products as well as gasoline, butane and diesel fuel. The energy shortage stems from many years of Congressional actions which have discouraged exploration and production to the point where increased demand hasn't been met. Now we hear pleas for more government controls. More government controls spell more trouble. 30 months of price controls haven't worked. Congress should let controls expire April 30 and give free enterprise a chance to work. Free enterprise has worked well in the past and will again, if we let it!

Local water resources and local economic development are areas that need constructive assistance. That's why I hosted Rural & Community Development Symposia with County Judges and Commissioners; and why I am seeking re-study of Mississippi water import proposals, based on recent crop prices, and why I am working for funding progress for soil and water quality project for Red River and tributaries.

Better water quality will result in more water for municipal and irrigation uses.

PRICE BILLS AND KEY VOTES

Passed by House:

H.R. 11873 to assist animal disease research.

New Bills Introduced:

H.R. 12842 to repeal Daylight Saving Time.

H.R. 12969 to raise ceilings for guaranteed farm ownership and operating loans.

H.R. 13207 (with 26 cosponsors) to toughen federal kidnap penalties.

H.R. 13348 to increase disabled veteran and war widow assistance.

H.R. 13297 to repeal Occupational Safety and Health Act (OSHA).

H. Res. 849 to disapprove Congressional pay raise (with 11 cosponsors).

H. Res. 975 to oppose giveaway of Panama Canal.

EXTENSIONS OF REMARKS

KEY RECENT VOTES

Opposed minimum wage.

Opposed amendment which would have prolonged energy shortage by killing production incentive (defeated, 163-216).

Supported bill to increase veterans' educational benefits (passed).

Supported Water Resources Development Act with construction authority for chloride control structure on South Fork of Wichita River (passed, 374-4).

Opposed federal debt increase (passed, 253-153).

Opposed foreign aid increase through International Development Association (rejected, 155-248).

Supported legislation to aid development of solar power (passed).

WATER FOR NORTHWEST TEXAS

Everyone in Northwest Texas knows the importance of improved water quality and quantity, but officials in Washington are still refusing to move on water import plans.

In response to my request that the once-rejected Lower Mississippi water import plan be re-assessed using today's higher agricultural product values, the Corps of Engineers has responded it feels the project still would not be economical and failed to make a complete re-evaluation at this time. Although the Corps did agree that increased water supplies for West Texas are needed to continue municipal and industrial growth and irrigation in future years, the Corps contended that estimated annual costs of the import plan are four times annual benefits and estimated construction costs are \$16 billion plus the cost of building new power generation facilities.

This leaves us in a difficult position, but we must encourage the Corps to recognize the full importance of an adequate water supply for municipal and industrial use and for irrigation to produce the food and fiber this nation will need in future years. I am continuing my efforts to obtain a re-hearing in the Congress on the matter of water importation for Texas.

Good news in the soil and water conservation area is the new Rural Environment Conservation Program (RECP), a replacement for the REAP program. Under RECP, growers can request annual and long-term agreements designed to share costs of conservation practices. This is consistent with legislation I introduced calling for continuation for REAP program benefits.

Farmers plowing up any drought out wheat should be sure to report the action to local ASCS offices to insure history credit and be eligible for possible disaster benefits later.

Encouraging water news for many localities involves funds I have worked for totaling more than \$800,000 delivered in the last three months alone. These include:

FHA grant and loan for King-Cottle Water Supply Corporation in continuing support for a new water system for 225 rural families and businesses in Foard, King and Cottle counties; and

EPA grants to support new or improved wastewater treatment facilities in Bellevue, Burkhardt, Henrietta, Pampa, Amarillo, Dalhart, Archer City, Canyon and Tulla.

STOP PANAMA CANAL GIVE-AWAY

In an effort to halt any give-away of the Panama Canal, I have offered a resolution of opposition in the House.

The U.S. built the canal and has a legal right to its ownership and use "in perpetuity." Some \$2,397,400,000 in U.S. taxpayer funds used in construction is still outstanding and would be lost if the canal were given away. Some 70% of cargo tonnage passing through the canal either originates in or is destined for, the U.S.

The Panamanian government has changed 13 times since World War II, five times violently. That does not demonstrate the stability necessary to guarantee us future use, and the U.S. shouldn't lose control of such a vital trade link which also enables ship movements for our own national defense.

A STRONG DEFENSE IS VITAL

As a member of the House Armed Services Committee, I know our country must be so strong that no nation will dare attack us. The military and civilian personnel at Sheppard AFB near Wichita Falls, as well as the management and employees of several industries in Northwest Texas, significantly contribute to the strong national defense posture which serves as the basis for world peace, as well as contributing to local economies.

This year's Defense budget is \$85.8 billion, \$6.3 billion higher than for FY '74. Much of this increase is for personnel cost increases, procurement and more research and development. The committee has the task of detailed analysis of each item in Defense budget.

JANE FONDA, LOBBYIST FOR WHOM?

When Jane Fonda broadcast her pleas over Hanoi radio, I asked that she be prosecuted for treason, and I still believe she and her kind should be prosecuted. The U.S. Department of Justice, however, has taken a weak posture on this.

When Ms. Fonda and her husband Tom Hayden (SDS founder and member of the "Chicago Seven") brought a campaign to Capitol Hill and obtained use of House Committee rooms to "educate" staff employees, I circulated a letter to all of my House colleagues pointing out their favorable publicity in a Communist Hanoi newspaper and questioning just who they represented in their lobbying efforts.

The concern of my colleagues resulted in a colloquy in the House Chamber in which 33 Members, including myself, participated.

Ms. Fonda has now apparently ceased her Congressional lobbying effort.

THIRTEEN-MILE-HIGH STACK OF MR. SIMON'S WASTEPAPER

HON. BILL GUNTER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. GUNTER. Mr. Speaker, my comments today might more appropriately have been made yesterday, April 1, or April Fool's Day. In this instance, it is the taxpayer who has been played for a fool. I refer to the extraordinary action of Mr. William Simon, Administrator of the Federal Energy Office, in ordering a \$12 million printing job, for which no funds had been appropriated by Congress, to produce 4.8 billion gas ration coupons that will not be needed. This collection of waste paper in the form of unneeded gas ration coupons, if put in one stack, would reach 13 miles into the sky.

Mr. Simon acknowledges that he failed to obtain congressional approval of the expenditure of funds for the purpose of printing 4.8 billion gas ration coupons and indicated it was a sort of oversight.

Mr. Speaker, I realize \$12 million oversights are all too common in the administration of the executive branch.

EXTENSIONS OF REMARKS

However, if we are to believe the rumors and press reports, the author of this \$12 million mistake is about to be nominated as Secretary of the Treasury.

It does not give me unbounded confidence in Mr. Simon's qualifications for the job, I confess, that his primary accomplishments so far as head of the Federal Energy Office have been to completely foul up gasoline allocations to all areas of the country while, at the same time, illegally expending \$12 million in tax funds to provide a 13-mile-high stack of waste paper that the taxpayers must also now pay to house in Government warehouses somewhere.

Mr. Simon has indicated he will ask Congress to retroactively legitimize his illegal expenditure of funds and to thusly correct his oversight.

I have asked the House Appropriations Committee to disapprove this request, Mr. Speaker, and submit for the attention of my colleagues the text of a letter I have today addressed to the chairman, Mr. MAHON.

It would seem to me that as a minimum requirement for the Senate's approving any forthcoming nomination of Mr. Simon to be the new Treasury Secretary, his much-touted abilities ought to first be put to a practical test by requiring that he find a way to sell this monstrous accumulation of wastepaper to any available bidders.

Given the current paper shortage, there ought to be some market for these curiosities Mr. Simon had printed up in such abundance, and perhaps by selling the gas ration coupons for recycling, some small amount of the total tax funds wasted can be redeemed.

If Mr. Simon is successful in this test of his ingenuity, I confess I still shudder that his confirmation as Treasury Secretary would also put him in direct charge of all those printing presses over at the Bureau of Engraving and Printing, and there is no telling what he might be printing next, perhaps a 13-mile high stack of \$2 bills with pictures of Mr. Simon on the face.

I do not presume to advise the Senate in its business, Mr. Speaker, but I do urge the House Appropriations Committee not to make itself a party to an illegal expenditure of \$12 million in tax funds by retroactively approving this costly bungling.

The text of my letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 2, 1974.

Hon. GEORGE H. MAHON,
Chairman, House Appropriations Committee,
U.S. Capitol Building, Washington, D.C.

DEAR MR. CHAIRMAN: It recently came to my attention that even following the clear indications the Arab oil boycott would be lifted and the announcement by the President that we would not have gasoline rationing, the Bureau of Engraving and Printing, nevertheless, continued to work feverishly with their presses at top speed to print 4.8 billion gas ration coupons that will never be needed.

This collection of wastepaper, which if put in one stack would reach 13 miles into the sky, cost the taxpayers over \$12 million.

My point in addressing this to your attention, however, is the acknowledgement by Mr. Simon reported in the press that through an oversight, no appropriation for an expenditure of funds for this purpose was ever

requested or enacted and that a violation of the law thereby appears to have been committed. It was further reported that Mr. Simon intends to seek retroactive approval of this illegal expenditure of \$12 million in tax funds.

I am therefore writing to request that the Appropriations Committee conduct a thorough investigation of the apparent bypassing of the Appropriations Committee in this instance and which resulted in the illegal expenditure of funds, and that you report your findings in some appropriate manner to the full House. I am further requesting that the Appropriations Committee disapprove Mr. Simon's request for retroactive approval of the printing of gas ration coupons.

Sincerely yours,

BILL GUNTER,
Member of Congress.

RECORD FARM-RETAIL SPREAD

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

MR. FINDLEY. Mr. Speaker, I have been looking forward to hearings on meat prices since November when I first wrote to Chairman POAGE urging that they be held. It was my contention then, as it is today, that consumers are not getting a fair shake at the meat counter. I am gratified that the subcommittee chaired by JOSEPH VIGORITO began hearings today. Consumers are paying inordinately high retail prices for beef compared to the returns farmers receive for their animals.

Traditionally, when the price of the basic raw material in a finished product decreases or increases in value the retail price of the finished product reflects with reasonable promptness this decrease or increase. This has not been the case with meat products. As the table below shows, while farm receipts for USDA choice grade beef have plummeted by 22 cents from record highs, retail prices have dropped only 6 cents.

Admittedly there are reasons for a slight widening of the farm-retail spread. Increasing costs of energy, rising wages, higher transportation costs and other factors have all contributed to some increase. Nevertheless, one would expect the price of the hamburger to follow substantially any changes in the cost of the steer.

When the retail price freeze on beef was lifted on September 10, overly fat cattle, some weighing in excess of 1,300 pounds flooded the market. Consumers who had spent the summer attuning themselves to beefless meals did not rush to buy the meat as had been expected and livestock prices plunged. But retail prices for September actually rose slightly over August prices. Some grocery officials said openly at the time that they were keeping beef prices high to compensate for losses incurred when they bought black market beef during the price freeze. Small comfort to the consumer, and a sad commentary on merchandising.

Preliminary March estimates from USDA data show a decline in retail beef prices. But they also show that farm

cattle prices declined even more sharply downward, resulting in the largest farm-retail spread in history. Of the \$1.44 per pound which consumers paid for beef during March, only 86.5 cents went to the farmer. A record 57.5 cents went to the middlemen. It is not the actual price which matters here. It is the width of the far-retail spread. This shows where a rise or drop in prices goes.

The competitive marketplace system is on trial today in the public mind. Consumers and farmers alike are upset at the current situation. Mr. and Mrs. Average Consumer wonder how much real price competition actually exists at the retail, wholesale and processing levels. Plenty exists at the farm end. The breeding and feeding of cattle is one of the most diversified and intensely competitive economic activities in our Nation. Cattle producers take high risks year after year, and accept the ups and downs of this competitive market.

When cattle leave the feed lots, however, what are the competitive facts? It is in the off-farm chain of events that the consumer is now taking a beating.

It is my hope that the subcommittee hearings will unearth some explanations for the current situation and discover the causes of the all-time record farm-retail spread. It is surely more than pure coincidence that chain stores have been advertising meat price reductions within the past 2 weeks. If subcommittee hearings on the price of beef can bring down hamburger 15 cents a pound—as seems to be the case—then perhaps what the consumer needs are more frequent hearings of this sort.

RETAIL PRICE, FARM VALUE AND FARM-RETAIL SPREAD FOR USDA CHOICE GRADE BEEF—JULY 1973–MARCH 1974

[In cents]

| | Retail price | Farm value | Farm-retail spread |
|-----------|--------------|------------|--------------------|
| July | 136.3 | 96.7 | 39.6 |
| August | 144.2 | 108.5 | 35.7 |
| September | 144.9 | 91.9 | 53.0 |
| October | 136.0 | 83.2 | 52.8 |
| November | 134.9 | 80.0 | 54.9 |
| December | 134.4 | 79.6 | 54.8 |
| January | 143.0 | 96.9 | 46.1 |
| February | 150.0 | 94.5 | 55.5 |
| March | 144.0 | 86.5 | 57.5 |

¹ March data based on preliminary estimates from unpublished USDA data.

Source: Price Spreads for Farm Foods, Monthly Supplement to Marketing and Transportation Situation, Economic Research Service, USDA.

PROPOSES REDUCTION IN NUMBER OF IRS COMMISSIONERS

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

MR. TIERNAN. Mr. Speaker, I have made several technical improvements in the legislation I proposed to establish an independent commission to enforce the Internal Revenue laws, and am introducing this new bill today.

The major technical change in this reorganization bill I am introducing is the reduction in the number of Commis-

April 2, 1974

sioners from five to one. After consultation with several persons experienced in administering the tax laws, I believe a system with a single Commissioner will facilitate the enforcement of these laws. But I feel it is imperative to place the control of the tax laws in an independent agency.

The basic premise of our income tax laws is to raise revenues to finance the Federal Government. But this purpose often has been subjugated because of the whims of the political party in power. We have seen political enemies often subjected to undue investigation and harassment while allies often receive extremely favorable treatment.

Tax laws should be administered as tax laws, not weapons or rewards used by the administration in power. We need an independent commission to assure the integrity of our taxing system. We must be assured that a large campaign contribution will not make the IRS look the other way when the contributor files his tax return. And we must also be assured that threatened harassment will not silence political objections.

This independent commission will take away the opportunity for political interference. I urge my colleagues to support this legislation and work for its passage this session.

TRIBUTE TO CAPT. JOHN H. ANTHONY

HON. GLENN M. ANDERSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. ANDERSON of California. Mr. Speaker, Dr. Albert Schweitzer once said:

I don't know what your destiny will be, but one thing I know: the only ones among you who will be really happy are those who have sought and found how to serve.

And among the many in our society who serve humanity, the City of Hope selects a "Man of the Year" who symbolizes the excellency and devotion embodied in service to one's fellows.

The 1974 recipient of this honor is no different than his predecessors, nor is he different from those who will follow, in that each continuously seeks to improve the conditions and eliminate the adversity which confronts mankind.

The man selected by the City of Hope to receive this signal honor is Capt. John H. Anthony, an individual who has served his community through business, civic involvement, and social organization.

Educated in England, Captain Anthony attained the rank of Master in 1941, at the age of 32.

During World War II, he served in the British Merchant Marine and saw continuous action, participating in the North African landings and the Italian landings. In addition, Captain Anthony made the infamous Murmansk-Arkhangel run.

And in 1945, he was appointed to command troop ships, a capacity in which he finished his sea career in 1947.

In December 1947, Captain Anthony was promoted to Marine Superintendent

EXTENSIONS OF REMARKS

in Charge of the Pacific Coast—headquartered in Los Angeles—for Furness Withy & Co., an organization he first became associated with in 1924.

Then, on July 29, 1954, he became a naturalized U.S. citizen.

The next year, Captain Anthony joined the Associated Banning Co., as executive assistant to Harold Germain, the president of the company. Nine years later, he was appointed president of the organization.

In 1967, Associated Banning Co. was absorbed by Metropolitan Stevedore Co. and Captain Anthony was appointed president of the merged companies, a position he still holds.

As a leader of the shipping and stevedoring industry, Captain Anthony serves as the president of the Marine Exchange-Long Beach/Los Angeles Harbor, the president of the Los Angeles Steamship Association, a member of the board of directors of Master Contracting Stevedores Association of the Pacific Coast, a member of the board of directors of the Pacific Maritime Association, and as chairman of the Los Angeles/Long Beach Sub-Steering Committee.

Captain Anthony's successful career has not been without its tribulations—the overcoming of which would not have been possible without the aid and support of his wife of 39 years, Isabel Logan, a Scottish lass.

Mr. Speaker, it gives me great pride to join with the City of Hope in saluting this outstanding gentleman, Capt. John Anthony, who certainly, according to Dr. Schweitzer, has enjoyed a "really happy" lifetime of service.

COMPETITION IN THE ENERGY INDUSTRIES

HON. RICHARD W. MALLARY
OF VERMONT
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. MALLARY. Mr. Speaker, during this session of Congress, we have been preoccupied by debate over energy resources. We have dealt with the subject in a piecemeal fashion but have failed to determine what our overall Federal policy is, and ought to be, with respect to the development and sale of energy resources.

Few of my colleagues, Congressmen FISH, FREILINGHUYSEN, HORTON, and WHITEHURST, and I have recently completed a study of "Competition in the Energy Industries." We found, as it is widely acknowledged, that there is a high degree of concentration in the energy industries. This concentration allows the behavior of the large, integrated firms to be cooperative rather than competitive.

To insure that the producers are responsive to increases in the demand for energy and that the prices charged by the companies are determined by the free market rather than an oligopoly of the producers, we feel that the Federal policy actively should foster free competition in the energy industries.

We have developed a series of rec-

ommendations which we feel could encourage expansion of the domestic energy production in a competitive fashion. I would like to submit for the RECORD, the substance of the recommendation and the findings of our report. Briefly, our recommendations are that the Congress—

One. Require integrated oil companies to divest themselves of their retail marketing and distribution operations.

Two. During periods of shortage and before divestiture is completed, require suppliers of crude oil and refined petroleum products to reduce deliveries by the same percentage to all consumers without preference to affiliated companies or franchises.

Three. Abolish the percentage oil depletion allowance.

Four. Require large, integrated energy companies to disclose corporate information relating to costs, profits, inventories, and reserves.

Five. Reduce tax incentives for foreign investment by completely restructuring the tax credit granted for royalty payments to foreign governments.

Six. Deregulate the prices of crude oil and natural gas; impose a windfall profits tax on "old" oil and "old" natural gas.

Seven. Impose an excess profits tax which would be waived on profits which are plowed back into investment in expanded domestic production.

Eight. Redistribute increased Federal revenues to consumers via the tax system in order to partially offset higher energy prices.

The recommendations follow:

CONCLUSIONS AND RECOMMENDATIONS REGARDING COMPETITION IN THE ENERGY INDUSTRIES

GOALS OF FEDERAL POLICY

The central goals of federal policy with respect to the energy industries should be:

(1) the encouragement of expanded domestic exploration, production, and refining capacity for all energy sources;

(2) the promotion of free competition in order to ensure (a) that producers are responsive to increases in demand and (b) that prices are determined by the free market, not by a sellers' oligopoly.

1. Incentives for expanding domestic production

We believe that present increased energy prices will encourage expanded production. In addition, we believe that the government can effectively encourage further increases in domestic production by reducing incentives for foreign investment and eliminating disincentives for domestic expansion.

In the past, government regulatory and tax policy—often supported by oil lobbyists—has made domestic expansion less profitable than foreign investment. For example:

Oil import quotas created uncertainty regarding the availability of future crude supplies and, therefore, discouraged the construction of domestic refineries.

Permitting oil companies to take a tax credit on royalty payments to foreign governments encouraged investment abroad at the expense of investment in domestic production.

Regulation of natural gas prices discouraged the exploration and development of domestic reserves.

Some observers have doubted that the arrangement of investment incentives would ensure an adequate increase in production. These observers have argued that the energy companies' strategy relies on curtailing supply, thereby ensuring upward pressure on

EXTENSIONS OF REMARKS

price. We do not believe that the evidence entirely supports this allegation. In fact, the energy companies have been eager to expand production when domestic expansion has appeared to be profitable—viz., the Alaska pipeline, drilling in the Santa Barbara Channel, development of off-shore and oil-shale reserves, rapid expansion by most oil-owned coal companies.

In short, energy companies have followed a policy of maximizing profits. Unfortunately, business conditions—often engendered by governmental policies and supported by the oil industry—have made expansion of domestic production unprofitable. If these disincentives to domestic investment are removed, we believe that the energy companies' self-interest will lead them to expand their domestic exploration, production, and refining capacity. Especially in light of the high price of domestic crude, it is clear that the energy companies will now be able to make a greater profit by expanding production than by withholding it.

2. Promotion of free competition

While relying on corporate "self-interest" to increase supply, we must guard against "self-interest" being developed to the detriment of the public interest. Therefore, we believe that free competition must be promoted if we are to achieve our energy goals.

The principal competitive forces in the energy industry which check the oligopolistic power of the large, integrated companies are the independent producers, refiners and marketers. It is important to protect the viability of these firms (1) in order to encourage the responsiveness of large, integrated energy companies to increases in demand and (2) in order to check the price-setting power of the large, integrated firms.

The viability of the independents has been threatened in two ways:

First, during the recent shortage, major oil companies have tied up supplies of crude and refined products within vertically-integrated distribution channels, cutting off sales to independent marketers and refiners. Some observers allege that the majors' cut-off of supplies to independents represents a premeditated attempt to curtail competition. Others claim that the cut-off was a legitimate and prudent response to the need for supplying the majors' own retail outlets. In any case, it is clear that the major producers' ownership of retail outlets has been detrimental to the interests of independent marketers and, hence, detrimental to free competition.

Second, integrated oil companies have shifted profits from the refining stage to the crude production stage in order to take maximum advantage of the depletion allowance. Due to the artificially high crude prices and the artificially low refining profits caused by this manipulation, non-integrated refiners have suffered.

In general, we believe that independent marketers and refiners (as well as available free market foreign supplies) have served as a significant check on price increases in the past. In order that independents may continue to play this role in the future, the government must protect them from such practices as (1) curtailing deliveries to independent competitors and (2) reducing independents' profits by setting artificial prices—practices which are anti-competitive in their effect regardless of their intent.

RECOMMENDATIONS

In order to encourage expansion of domestic energy production and in order to promote competition in the energy industry, we recommend that Congress:

(1) Require integrated oil companies to divest themselves of their retail marketing and distribution operations. Prohibiting affiliations between refiners and marketers would foster the equitable distribution of refined products among all retail outlets. In

addition, such a divestiture would arrest the major brands' current trend toward carving out monopolistic regional marketing enclaves. This divestiture should be gradual and orderly, so that supply disruptions do not occur and so that these holdings can be sold at a fair market price.

(2) During periods of shortage and before divestiture is completed, require suppliers of crude oil and refined petroleum products to reduce deliveries by the same percentage to all consumers without preference to affiliated companies or franchises.

(3) Phase-out the percentage oil depletion allowance. This would eliminate the incentive for integrated companies to shift profits from the refining stage to the crude production stage. Ending this market distortion would provide relief for independent, non-integrated refiners, whose low profits reflect the artificially low refining profits set by integrated companies.

Prices and profits have already risen more than enough to offset the loss of corporate revenue that this would entail.

(4) Require large, integrated energy companies to disclose corporate information relating to costs, profits, inventories and reserves. The government must have complete access to this information not only in order to discover anti-competitive practices but also in order to make informed decisions in the areas of allocation and rationing, tax incentives, and federal support for research and development.

(5) Reduce tax incentives for foreign investment by completely restructuring the tax credit granted for royalty payments to foreign governments. This would remove one of the principal incentives to priority investment in foreign production.

(6) De-regulate the prices of crude oil and natural gas; impose a windfall profits tax on "old" oil and "old" natural gas. De-regulation is a necessary part of ending market distortions, removing obstacles to increasing production, and discouraging consumption of a scarce good. Specifically, deregulation would eliminate the market chaos created by the \$4-per-barrel disparity between old and new oil.

We recognize, however, that permitting the price of old oil and natural gas to rise to the market level will temporarily create windfall profits—profits which are irrelevant to the encouragement of new production. Therefore, we propose that a windfall profits tax be imposed on the difference between the present price and the price after de-regulation. This tax would gradually be decreased and phased out. The tax levels should be high enough to substantially equalize the price of "old" domestic crude oil with recently discovered oil, oil from stripper wells, and foreign oil. The phasing out of the tax should be gradual enough so that there would be no incentive to limit production in the hopes of deferred profits.

(7) Impose an "excess profits" tax which would be waived on profits which are plowed back into investment in expanded domestic production. Excessive profits which should be defined as profits in excess of a reasonable return on invested capital—should be reduced or eliminated by the above recommendation regarding the windfall profits tax and changes in foreign tax credits and the depletion allowance. If "excessive" profits remain, however, we believe that the Congress should encourage the energy companies to use them for expanded production rather than expanded dividends. This could be done by placing a tax on "excess" profits which are not reinvested in an approved manner. Since energy companies are currently investing in expanded production at a rapid rate, this provision would merely ensure the continuation of present positive trends.

We recognize that even reinvested profits

remain profits nonetheless. Because of this fact, some observers have argued that excess profits should be taxed away for reasons of equity regardless of their end-use. We believe, however, that the nation's list of priority policy goals must place the need for expanded domestic production ahead of the desire to impose punitive taxes.

(8) Redistribute increased federal revenues to consumers via the tax system in order to partially offset higher energy prices. Three of the above recommendations—the windfall profits tax on old oil and natural gas, the termination of the depletion allowance, and the restructuring of the foreign royalty credits system—would increase federal revenue. By returning this money to consumers, the effect of high energy prices on individuals' overall budgets will be minimized.

The redistribution of the increased revenues should be made by tax credits to those who file and pay federal income tax as well as by an increase in direct payments to recipients of Social Security, Railroad Retirement, or welfare or other transfer payments. By immediate adjustment of withholding schedules and rapid increases in transfer payments, the depressing effect of these taxes would be alleviated and a fairer distribution of the revenues would be possible.

We favor a redistribution formula which would increase the size of the per capita rebate if retail prices increase. Deregulation of crude prices would, of course, put upward pressure on retail prices. However, federal revenues from the windfall profits tax would rise in proportion to crude and retail prices. Therefore, the amount redistributed through the tax, pension, and welfare systems could be varied according to average retail prices.

Some observers have suggested that prices cannot be allowed to rise above certain levels because of inflationary ramifications for the economy as a whole and for "emotional reasons", regardless of a federal per capita rebate scheme. Most economists argue, however, that supply and demand for gasoline will achieve equilibrium well below unacceptable price levels. For example, Milton Friedman argues that the market will "clear" at less than 75 cents per gallon. Another study puts that figure at 59 cents per gallon. Coupled with redistribution of increased federal revenues, these prices do not seem too high a price to pay for (1) eliminating gasoline lines and (2) the more efficient allocation of gasoline that market-regulated demand would produce.

The adoption of these eight recommendations would represent an effective and responsible program toward (1) providing incentives for expanding energy supplies and reducing demand and (2) promoting free competition and, hence, fair prices and a responsive market. While encouraging these goals, our recommendations also strive to lessen the hardships caused for consumers by high energy prices.

ARAB BLOC MUST LOWER PRICE FOR OIL

HON. LOUIS C. WYMAN

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. WYMAN. Mr. Speaker, I have repeatedly stressed that the price being charged the rest of the world for Arab oil bears no relation to lifting cost and is, in fact, unreasonably, and unnecessarily high. Because it is so high and because this oil is a necessity for such nations as

April 2, 1974

Japan and others that are oil-short, a consequence of the excessive charges is grievous imbalances in payments, huge cost increases and runaway inflation for these countries.

Governments of the oil-short nations, representing most of the world, are not going to stand idly by while their economies go to blazes. Unless the Arab bloc voluntarily lowers its oil price it is predictable that there may be forced an eventual confrontation that would make the recent Mideast conflict look like a picnic.

There is no sense in this and it is to be fervently hoped that the Arab leadership will recognize the problem and deal with it on a constructive and rational basis before the confrontation is reached. Time is running out on this, as witness the editorial comment in last night's *Washington Star-News* which is of interest in this connection.

WORRIES FOR TOKYO

Japan is facing unprecedented problems that cloud the future of its economic miracle and could affect the future development of its postwar democracy. The main new element, of course, is the price of oil, together with zooming prices for all sorts of commodities and raw materials for which the country is enormously dependent on imports.

Consumer prices already are rising at an annual rate of 20 percent, and the government has just been forced to allow increases averaging 62 percent on refined petroleum products. Japan is undergoing a rare inflationary experience for a highly industrialized country, and it is sure to increase the militancy of Japanese workers who already are seeking 30-percent wage increases in their "spring offensive."

The general increase in costs is bound to make Japanese goods less competitive in world markets, to the extent that other nations are able to hold their own inflation at less virulent levels, as seems to be the case. Some Japanese industries—like steel—will still have advantages in efficiency, but it will require a big turnaround to overcome a payments deficit that reached \$10 billion last year and was \$1.2 billion in February alone. Japan needs to export in vast quantities to keep its crowded population of 103 million working and reasonably happy.

That means the ruling conservative politicians have a problem, as well as their big-business collaborators whose operations went largely unquestioned in the years of spectacular success. The Liberal Democrats led by Prime Minister Tanaka face difficulty holding on to their modest majority in the upper house of Parliament, in elections to be held this summer. The major looming issue is inflation. Japan's tradition of consensus politics could give way to increasingly direct confrontations.

Tokyo obviously must come up with some convincing answers for assuring its constituents a good life through the economic trials that lie ahead, in a country that also must solve substantial problems in housing, welfare and the environment. Hard work and business imagination brought off the postwar recovery. Some additional elements of political genius may be needed to keep the miracle going.

This was emphasized earlier last month by an interesting editorial comment by Mr. Arthur Arundel of radio station WAVV when on March 20, 1974 Mr. Arundel said:

The amount of money the raw wealth of Arab oil sheiks has over the past few years become something of a legend. But what has

EXTENSIONS OF REMARKS

happened in recent months has simply reached the absurd.

The sudden and massive increases of oil prices has literally, overnight, doubled the entire national incomes of virtually every oil country in the Middle East.

On a per capita basis, the situation in these tiny Persian Gulf states is even more unbelievable. In Qatar, average income will go from \$5,800 last year to \$17,400 this year. And, in Abu-Dhabi it could reach a dizzying \$45,000 a year for every man, woman, and child in the country. That compares with about \$6,000 in the U.S., supposed to be the world's most powerful industrial nation.

These new riches are, of course, not evenly distributed with the have-not nations of the Middle East. Egypt, for instance, which has no oil will continue to have an average per person income of about \$240.

The toughest impact of the new oil prices is not really on us in the United States, it is on the already grinding poverty of the less developed poor countries of the world now paying an extra \$10 billion a year for energy imports. That is more than all of the development assistance money which these depressed countries now receive from all the rest of the world combined. India, for instance, which spent \$420 million on oil in 1973, will pay more than three times that amount for oil in 1974.

The huge question now is what these few small oil rich nations will do with the some \$90 billion in oil money which they will get this year alone, for with even the most ambitious spending on their own internal development, they can use only a small fraction of it?

Among the ideas is a sort of "PL 480" program for oil under which poor countries could buy energy supplies from these newly rich nations at reduced prices and easy credit terms. Much in the same way they have obtained surplus U.S. food commodities in the past. But, given the enormous dislocation of the world monetary system, these would still be only cosmetic measures.

But, the die has been cast on all this for the Arab nations have now effectively nationalized and taken control of the oil fields which western companies had built over the past quarter of a century.

And, the huge amounts of money they have is already going into such new directions as buying stock interests in all sorts of other American companies which itself leads to new possibilities. For, if the Arabs should gain control of a couple of major U.S. companies such as Ford or General Motors, then the U.S. Government could just nationalize them and take it all back.

At any rate, and more seriously, it is a dangerous and to the poor nations on earth, a harshly cruel game the Arabs are playing.

WHY DO WE HAVE SO MANY SHORTAGES IN AMERICA NOW?

HON. JERRY LITTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. LITTON. Mr. Speaker, as a Democratic Congressman, perhaps the political course of action for me to follow in this time of shortages would be to place the blame on the Nixon administration, big business, or a Communist conspiracy.

As a freshman Member of Congress, maybe I could just place the blame on both Congress and the administration and suggest that now that I am in Congress, I will work to see that it does not happen again.

But I think that course of action which would better serve those I represent would be to try to explain why we have such shortages. I fully recognize it is dangerous for me to attempt to explain our present shortages because some might interpret my explanation as meaning I am supporting or defending those actions which caused the shortages. I am not defending those actions which caused the shortages, but simply trying to explain how the shortages occurred.

The American people can deal with shortages. What bothers them is the unknown. It is this same unknown that is bothering the business world which results in fewer business expansions, causing more unemployment and creating even more shortages.

Having to wait in line an hour for gasoline is obviously disturbing. Shortages of paper, lumber, and auto parts is frustrating to people, businesses, and the economy, but we have shown we can live with it. What bothers us the most is not knowing if we will have to wait in line for 3 hours next week to get gas or if we can get any paper at all next month. It is bad to be hungry, but much worse to be hungry and not know how long you are going to remain hungry or how much worse it might get.

With different segments of our society each pointing its finger at the other as the cause and with more apparent interest in placing blame than in finding solutions, it is easy to see why big business, the Congress, and the White House are held in such low esteem at present by the majority of the American people.

FIRST STEP IS TO ADMIT THAT SHORTAGES EXIST

Obviously the first step toward solving any problem is to admit the problem exists. Millions of barrels of oil were wastefully used last summer because Americans were unwilling to listen to a crippled U.S. Government. In May of last year, 5 months before the Mideast war and the resulting Arab oil boycott, I said I feared the developing energy crisis would force a lowering of speed limits to 50 or 55 miles per hour by the end of the year.

And yet during the heavy driving months in late spring and the summer when we should have been stockpiling fuel so as to give us sufficient leadtime to head off this shortage, we were using more gasoline than we consumed the previous year. Who was to blame—the American people who would not believe or the Government which had apparently had conducted its affairs in such a way as to cause the American people not to believe what they said?

SECOND STEP IS TO UNDERSTAND THE SHORTAGE

The second step one must take in solving a problem is to understand the problem. It is easier for people to make the kind of personal sacrifices that must be made if they understand how the problem developed, how long it might continue, and how severe it might become.

Usually a crisis is created when a series of events occur at or near the same time. For example, the break-in at Watergate, while serious by itself, became a governmental crisis only when combined with a number of events.

Many of the shortages in America today are the result of a series of events which by themselves would not have had a major impact on our economy, but when combined, created crisis conditions. The coming together of some events created the kind of climate which can lead to shortages. Sometimes one event leads to another and sometimes one shortage leads to another shortage. The energy crisis is a good example of how a series of events led to the shortage and how the shortage in one fuel helped create a shortage in another fuel. The energy crisis is also a good illustration of how the shortage in one area can lead to the shortage in another seemingly unrelated area.

Who among those involved in finding the great oil reserves in Alaska in 1968 would have thought that in March 1974, we would still not have started a pipeline to bring that oil to America? Who in the 60's would have thought that by the 70's we still would not have deepwater ports, productive offshore drilling, or operational nuclear plants? Who could have predicted that we would finally get around to cleaning up the air at the same time we started running out of energy reserves?

The Clean Air Act of 1970 not only shifted our powerplants from coal—of which we have plenty—to oil, but to low sulfur oil which is limited in supply. Who would have thought that a country with 6 percent of the people of the world using a third of the energy of the globe would place emission control devices on automobiles, sharply reducing efficient use of gasoline in an area which constitutes more than one-third of our total consumption of all energy fuels—at the same time our use of fuel was outstripping our production of fuel? And at the very time the effects of these acts were to come together, who would have thought the major producer of oil, the Arab world, would decide to embargo their exports to the United States?

It is obvious from these statements that I do not think the major oil companies go together and decide to create the oil crisis. Neither do I think President Nixon created it to take our minds off Watergate or to repay favors to oil companies for their \$5 million in contributions.

While I do not think big oil companies conspired to create the shortage, neither do I think they have done all they can or should have done to solve the shortage. I also think they have taken advantage of the situation to achieve economic benefits and objectives. Their unwillingness to provide the American people and the Congress with satisfactory answers has been most disturbing to me. I am equally disturbed at the inability of Congress, as well as the White House, to create meaningful and responsible energy legislation which might offend large campaign contributors from the oil industry. Consequently, I have cosponsored a resolution calling for the creation of a nine-member Select Committee of the House of Representatives to study the relationship between big oil companies and the fuel shortage.

In spite of the many unanswered questions concerning the energy crisis, I hope

EXTENSIONS OF REMARKS

I have shown that it was the culmination of many events. The fact that these events happened at or near the same time is why we had a crisis. Divorce, war or bankruptcy may be triggered by one event, but usually are caused by several events which by themselves may not be of major concern.

Most businessmen can usually withstand one or two setbacks in a year. What most cannot withstand are a series of setbacks in 1 year. A farmer can usually withstand a flood or drought, but can he be expected to withstand a flood, fire, drought, disease and crop failure all in 1 year? We would expect our Government to withstand several of the events mentioned earlier as contributing to our energy crisis. Unfortunately our Government was not prepared to handle all of these events at one time.

WHY DID WE RUN OUT OF ALL FUELS "ALL OF A SUDDEN"?

I have had some ask me why we ran out of gasoline "all of a sudden." I reply that you can fill your car with 20 gallons of gasoline, drive all morning, afternoon and evening and when you run out you will run out, "all of a sudden." The point is, we have been running out of fuel over a period of the last few years. Unfortunately, as our demand for gasoline was beginning to exceed supply, we kept using more and we kept passing more laws which provided for less efficient use of it. The three primary factors which came together to create the fuel shortage are: first, increased demand, second, a peaking of domestic production, third, less efficient use of energy.

The first noticeable fuel shortage occurred in natural gas. What followed was a chain reaction as the shortage of one fuel caused a shift in consumption to other fuels resulting in a situation where it appeared as if we ran short of all fuels at about the same time. For years our Government has regulated the price of natural gas at the wellhead so low that we discouraged exploration for natural gas while encouraging its use at artificially low prices.

In recent years our natural gas supplies have been so low in comparison to demand that many industrial hookups were made on an "interruptible basis" meaning that the business had to have alternative sources of fuel before they were put on natural gas. This was in anticipation of natural gas shortages.

About two-thirds of our propane is made from natural gas so when we experienced a shortage in natural gas we also experienced a shortage in propane. The natural gas shortage also caused businesses on an interruptible contract to shift to their alternate fuels which were usually middle distillates creating a shortage in this line of fuels.

The Government, fearful of unheated homes in the winter and serious shortages in middle distillates, asked refineries to shift production from gasoline to heating oil and other middle distillates. This created shorter supplies of gasoline and caused refineries to cut back on gasoline production at a time when they began to build stockpiles of gasoline for spring and summer driving.

Now you say—alright, I understand how we could be short of most petroleum

products at about the same time, but explain why we suddenly end up with shortages of all kinds of products at about the same time?

WHY DID WE RUN OUT OF SO MANY THINGS "ALL AT ONCE"?

First let me answer that by saying that frequently the same set of circumstances that go together to create the shortage of one product also go together to create the shortage of another. Second, the shortage of one product can be the main cause of the shortage of another seemingly unrelated product. Third, a number of our shortages occurred in basic commodities such as steel, oil, lumber or raw agricultural products which are used in the production of a wide assortment of products in America.

For example, we now have serious shortages in nitrogen fertilizer in the United States as well as throughout the world. The fertilizer shortage in the United States means we will produce approximately 22.5 million tons less grain this year than we would if we did not have the shortage. This is almost twice as much grain as was sold to Russia in the famous Russian wheat deal. While headlines talk of predictions by bakers of a dollar a loaf for bread by the end of the year—I do not buy this prediction and I do not think the bakers do either—few have taken note of the fact that the fertilizer which we do not have this year would produce enough extra grain to make 50 billion loaves of bread which is a 5-year supply of bread—or 170-year supply of corn flakes—for the entire population of the United States.

Earlier I said we had a shortage of natural gas and that the shortage of one product could lead to the shortage of another. Did you know that all nitrogen fertilizer in America is made from natural gas?

As you might expect, there are other contributing factors to the fertilizer shortage. Fertilizer profits were low in the 1960's, causing some big companies to get out of the fertilizer business. Low profits meant that few plants were being built. Just as worldwide demand for fertilizer increased, the American Government instigated a domestic price freeze. Fertilizer plants frozen at record low price and profit levels were unable to expand production to meet increased demand. We had a similar situation which, coupled with strikes in Canada against railroads and newsprint mills, caused a shortage of paper in America.

As the price of fertilizer on the world market increased well above that of the frozen price in America, fertilizer companies started exporting their fertilizer abroad, creating an even greater fertilizer shortage in America. Farmers in Red China could buy American fertilizer last year, but many American farmers could not buy it at any price.

This was a situation we saw duplicated in many products as their prices were frozen at times of low profit margins while world demand increased. This encouraged exports or caused the shifting of production away from those items frozen at unprofitable levels.

There are other factors which contributed to the fertilizer problem. A big factor was the Government's decision to

encourage farmers to plant all available acres which will put nearly 20 million additional acres in production in 1974. A second factor is that many of these acres have not had fertilizer for many years, meaning they will need heavier than normal applications. Since many of these acres were marginal to begin with, this means they will need heavy fertilization. An additional factor increasing the demand for fertilizer is the increased price for grain, justifying heavier than normal fertilizer use.

Any of these factors which increased demand plus those mentioned earlier which reduced supply could have occurred without creating a major fertilizer shortage. It was a combination of situations and the pressure of one on the other that caused our present serious fertilizer shortage which will influence food supply and subsequently the price of food to American consumers this year and the next.

Shortages or surpluses occur when supply and demand got out of line. In the case of energy, we had both reduced supplies and increased demand. In the case of fertilizer where we are actually producing more fertilizer for domestic use this year than last, the shortage in America is more a matter of demand outracing supply. However, supply could have kept up with demand had it not been for the factors I mentioned which discouraged production and encouraged export.

A LOOK AT FOOD SHORTAGES

A similar situation occurred in food last year. Did you know one of the reasons why baby chicks were drowned and a meat shortage occurred last year was because of a change in the sex life of a fish off the coast of Peru? This fish, called the anchovy, is one of the main sources of protein for the world. A change in temperature of the water off the coast of Peru, together with overfishing, caused the government to halt the fishing for anchovy. This caused increased demand for soybeans, a major source of protein. Remember the skyrocketing prices paid for soybeans last year? This resulted in shifts to other protein sources and subsequently to shortages of these proteins. In other words, the shortages of one protein source caused the shortage of another. It appeared as if we became short of all protein sources at once.

This automatically increased the cost of feed for livestock producers. This caused food prices to increase. Instead of encouraging farmers to produce more food to offset increasing food prices, the Government did just the opposite—they froze the price of food at the very time the cost of feed to produce food was increasing.

This resulted in farmers drowning baby chicks because the cost to feed them in many cases would bankrupt the farmer. The food freeze also caused farmers to send milk cows, beef cows, pregnant sows and hens to market. It is true farmers can often increase profits by producing more, but when their cost of production exceeded the market price they could receive because of the retail food price freeze, farmers were forced to reduce herd numbers in an effort to reduce

EXTENSIONS OF REMARKS

losses. And this is what they did. The reduced herd numbers resulting from the ill-conceived price freeze caused lower meat supplies which are affecting meat prices even this year. Threats of boycotts and calls for export embargoes frightened farmers and discouraged them at the very time they should have been encouraged to produce more.

Just imagine that you own a farm—you have room to keep between 10 and 100 sows this winter. You hear that consumers plan to boycott meat, and that there may be food price freezes. Because of this, you decide to keep 10 sows and not 100. Irresponsible talk of boycotts by those supposedly interested in the consumer resulted in less food being produced and higher food prices.

And so we saw a shortage of anchovy help cause a shortage of soybeans, which led to a shortage of all protein, which raised the price of livestock feed, which raised the price of meat, which led to food price freezes, which resulted in less meat being produced, which caused meat shortages, which caused even higher food prices. It really was not that simple, but I think you can see how a shortage in one product helps create a shortage in another, and how one event leads to another with a combination of events, creating a crisis condition in one or more products.

WAS OUR ECONOMY VULNERABLE TO A SHORTAGE SITUATION?

Of course, one must admit that the economic climate in America was such that it made it easier for the series of events to occur that I have described and for them to have a bigger impact than normal on the supply of goods. An inadequate growth in our economy followed by economic controls set the stage for some of the events I have mentioned which eventually led to shortages in America.

Real growth—the economy's expansion less the influence of inflation—has not been as high as it should have been in recent years. In other words we have been underproducing. While demand for goods was increasing in America, it was increasing at an even faster rate—especially for agriculture and raw products—on the world market. This caused many American products to be sold abroad, creating unexpected shortages in America. Added to this was the devaluation of the American dollar twice in 14 months which made American products far cheaper abroad.

Then along came price controls which froze prices in America at a time when demand and prices were going up around the world. This caused many products to be priced higher on the world market than on the American market. Thus, price controls served to create many shortages in America by encouraging the export of products priced higher abroad than the frozen price in this country.

Some manufacturers shifted production from one item to another to escape production of items frozen at marginal profit levels. This created shortages in some items. Ordinarily these shortages would have driven the prices up for these products, attracting manufacturers to enter the market to produce the product

in short supply. However, because of the price freeze this did not happen. As a result we have had shortages of many items.

At this point I think it would be well to point out that in a free enterprise situation, shortages are usually of a short duration. This is true because short supplies of certain products increase the price of these products, encouraging production of the product in short supply and discouraging the consumption of its use because of the higher price.

How high the price goes before demand backs off to equal supply to avert a shortage depends on the elasticity of the demand. Products with a highly elastic demand are those where an increase in price results in a similar decrease in demand and where a decrease in price results in a similar increase in demand for the product. Products with an inelastic demand are those where people are more interested in the product than price which means that significant increases and decreases in price are not followed by a similar increase or decrease in buying.

For example, there is a very inelastic demand for food. In the case of most products, when the law of supply and demand is allowed to work its will without government intervention, we see prices go up a little when there is a shortage of a product. Because of the slightly higher price, some people decide not to buy the product. This reduction in demand provides a downward pull on price, meaning that the price did not have to go up too much to bring supply and demand back in line.

However, in the case of food, people do not quit buying food when food supplies are reduced and prices go up. In such cases, we have the same number of people bidding against each other for reduced food supplies. As a result, a 1 percent decrease in food supply can cause a 3 to 4 percent increase in the price at retail level. The inelastic demand for food can work just as quickly against the producer. Since people can eat only so much food regardless of the price, a slight surplus of food results in substantial price reductions to the producer.

Products with a highly inelastic demand will go up very high in price when there is a shortage of the product. Products with a highly inelastic demand are usually essential products or low in price in relation to the role performed by the product. Water, air, and food are essential and cheap in relation to the role performed. People need all three regardless of price. This is why shortages in food are translated so dramatically into higher food prices. This is also why a steady supply of food is so important to both the consumer and the producer. Dramatic price changes create economic hardships for both. An understanding of this relationship is essential to an understanding of farm programs. I might add that one of the big contributing factors to short supplies of food in America last year was inaccurate estimates on the part of the USDA as to what our food needs would be in 1973.

Another item with an inelastic demand—although not as much as that for

EXTENSIONS OF REMARKS

food—is gasoline. A slight increase in the price of gasoline will not cause many to quit driving. This means that if higher prices are used to bring supply and demand of gasoline together, the price would have to go awfully high. In the meantime millions of Americans with limited incomes would face extreme economic hardships. This is why the Government often gets involved when simply letting the law of supply and demand work its will may appear the best solution. Unfortunately, the handling of such programs by the Government is such that frequently they result in discouraging production of the product in short supply.

Usually you will find shortages more likely among those products with a reasonably inelastic demand where product availability is almost more important than price. This would include such things as spare parts for a car or tractor, toilet tissue, steel assembly units for a big machine, etc. In cases where the product was not as essential as food or low in price compared to the role played (such as buttons for a shirt), a reduction in the product availability would have caused a price increase which would have been met with reduced demand, bringing demand in line with supply without creating a shortage.

WHAT ABOUT HALTING EXPORTS?

Some might suggest an embargo on exports to solve the shortage problem. Keep in mind the best way to solve a problem of shortage is to get more of the product produced. Embargoing exports of paper or fertilizer is no way to encourage the building of more fertilizer plants or paper mills in this country. Added to this is the balance of trade problem. We cannot buy the increasingly expensive oil from abroad without selling something in return. Trade is a two-way street. You cannot buy more than you sell for very long any more than you can take more out of your bank account than you put in. In 1971 and 1972 for the first time in the great productive history of America since 1893, we bought more goods than we sold. In order to reverse this, we must increase exports. Often those products in short supply on the world market are also in short supply in America. A continual trade deficit will ultimately lead to more shortages and higher domestic prices.

Before you consider embagoing exports, take a good look at what this action has done to the Arab market for oil. In the short term, the Arab embargo has driven the price of oil up. But, it has also caused every major country in the world to start massive efforts to find alternative sources of energy. When we embargoed the export of soybeans to Japan, a product we produce far in excess of our domestic needs, we caused the stable Japan market to develop other sources of supply for soybeans to turn to alternate sources for protein.

I am convinced the Arabs made a big economic mistake when they embargoed oil exports. At the time of the embargo, the United States was becoming increasingly dependent on Arab oil. Our oil production in America had peaked out. Had the Arabs waited another 5 years before showing their hand and awakening

America in a dramatic way, our country might have been so dependent on the Arab world for oil that we might have reached the point of no return. Because they showed us what we should have recognized, we now have enough time to develop our own energy supplies without being dependent on any country for something so vital as energy. I can assure you my votes in Congress will be directed toward that objective.

I have long supported the free enterprise system and thought of the law of supply and demand as being better than most we write in Congress. In the case of the energy crisis where the supply of oil is in the hands of a few, whether it be a few countries or a few companies, the law may not be permitted to work properly and the economic impact on large segments of the population would be too great in the short run. I might add when the supply of any product is in the hands of a very few, the price may be dictated by design more than demand.

A SUMMARY OF THE CAUSE OF THE SHORTAGES

In summary, shortages in America have been created by a combination of economic factors rather than any sinister force. These include: underproduction in America; increased demand for goods and services at home and abroad; economic price controls which discouraged production and actually encouraged exportation of products in short supply coupled with two devaluations of the dollar in 14 months which made American goods far cheaper abroad.

Added to this is the fact that a shortage in one product creates a shortage in another. For example, plastic and synthetic fibers are made from petroleum products. A shortage in petroleum products creates a shortage in synthetic fibers which in turn creates a shortage in cotton, and so forth, and so forth.

I fear we are going to see the same domino theory affect unemployment. One of the reasons the administration wanted people to turn down their thermostats as a way to conserve fuel was because this would not put anyone out of work. Let us assume that the Government is able to spread the shortage around in a fair way—not likely—and that fuel use will be cut back in nonessential areas—leisure driving as opposed to operating a factory. Even then the unemployment rate will go up.

In the first place, gasoline stations will stay open fewer hours, causing some to be out of work. With people driving fewer miles, they will buy fewer cars, tires, and so forth. Some who work for the tire company or auto company will, therefore, be out of jobs. Those who work at companies which sell products to those who work at the tire company will be laid off. And so the chain goes on. Just as a shortage in one product can create a shortage in another, a reduction in jobs in one area can cause a reduction in jobs in another.

I do believe the effects of these shortages would be less severe if the Government were more honest with the people. While I have been in Washington, I have seen too many reports which appear to me to be "wishes" rather than accurate estimates of economic conditions. It is

April 2, 1974

almost as if the Government thought it could make something happen by saying it was going to happen. As a result, many American people do not feel they can trust their Government. The American people would be far better able to contend with these shortages if they knew what caused them, how severe they might be, and how long they might last.

I might add that fear of or anticipation of a shortage can by itself create a shortage. Talk that there might be a shortage of a product can cause such unusually heavy purchases of that product that a shortage is created and this in turn can create even heavier demand for a product which before the rumor was in plentiful supply.

I remember the story of the man who opened a hot dog stand. Through hard work, good hot dogs, and imaginative advertising, he soon had hot dog stands throughout the country. He advertised the biggest hot dogs in America. He had signs on the highway, radio commercials, regular newspaper ads and exciting television commercials. One day his son came home from college and told his dad that things were going to get worse. He told his dad that the economy was in trouble and business was going to drop off. So the man closed some of his stands, cut back on the size of his hot dogs and cut back on his billboard, newspaper, radio and television advertising. And just as his son had predicted—business did get worse.

As a freshman Member of Congress, I realize I may not be able to solve some of these problems, but at least I can make an honest effort to explain them to those I represent so they will be better able to cope with them.

Blaming the shortages on those who are already unpopular may be the political thing to do, but it will not bring about solutions and it will not make it any easier for people to cope with the problem. I am convinced that by working together we can solve these problems of shortages and that the first step toward finding solutions is a frank and honest understanding of the problem.

MID-DECADE CENSUS

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. BURKE of Massachusetts. Mr. Speaker, an extremely worthwhile editorial appeared recently in the Patriot Ledger, published in Quincy, Mass. The editorial clearly points up the need for enactment of legislation to provide for a mid-decade census. I am sure my colleagues will be impressed by the practical and straightforward recommendations which the Patriot Ledger makes in this area, and I hope that all of them will join me in working for enactment of legislation in this area.

The editorial of March 26 follows:

MID-DECADE CENSUS

Back in 1970, the mid-decade census—having a federal census every five years in

stead of every 10 years—looked like a good idea whose time had come.

The Census and Statistics Subcommittee of the House Post Office and Civil Service Committee held hearings in September of that year, heard complaints about the 1970 census, and made one major recommendation—that the census should be conducted every five years. The panel's support for the mid-decade census was unanimous, and it also had the endorsement of the director of the Bureau of the Census and then-Mayor John V. Lindsay of New York City.

Dr. George H. Brown, then census director, noted, "In view of the growing importance of census-type information and the growing rate of change of our society, it appears that a census every five years is now appropriate."

And that's the point: rapid change outpacing the important statistical data the census provides. The census is more than a body count, important as that is. It relates to the political life of the nation in providing the data for drawing up congressional districts. It bears on the allocation of federal and state funds to communities, on business plans for plant location and market strategy, on economic planning and government policy-making.

But it wasn't until Aug. 3, 1972, that the House Post Office and Civil Service Committee reported out a mid-decade sample survey of population to be taken in 1975 and every 10 years thereafter, in a bill which also sought to protect the confidentiality of information provided by individuals during a census. That bill, however, expired without a House vote.

Last April, the committee tried again, but the bill was never granted a rule for House action because of opposition among the House leadership to the confidentiality provisions. Now the mid-decade census bill—with out the confidentiality provisions—is back before the committee's Census Subcommittee, which has scheduled a markup session for this Thursday, after which the bill will go to the full committee and is likely to be reported out. (In the Senate, a bill introduced in January, 1973, by Sen. John Tower, R-Texas, for a mid-decade census has received no attention and has not been given a hearing.)

If there is to be a mid-decade census, and we think it would be valuable, Congress had better get going, for the mid-decade is only nine months away.

TRADE REFORM ACT OF 1973

HON. ROGER H. ZION

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. ZION. Mr. Speaker, I am pleased that we are talking and negotiating with the Soviet Union. If words can replace bullets, I am for it.

Shipping highly technical, sophisticated electronic equipment—that helps the Russians develop weapons that could lead to our destruction is another matter.

Our colleague, BEN BLACKBURN of Georgia has done an excellent job of evaluating recent and projected exports of U.S. goods that significantly contribute to the Russian war machine. I hereby submit his testimony on the subject as presented to the Senate Committee on Finance:

REPRESENTATIVE BLACKBURN SUPPORTS H.R. 10710, HOUSE-PASSED TRADE REFORM ACT AS HELPFUL IN SLOWING DOWN EXPORT OF U.S. TECHNOLOGY TO SOVIET WAR MACHINE

Mr. Chairman, I appreciate the opportunity to appear before this distinguished com-

EXTENSIONS OF REMARKS

mittee in its deliberations of H.R. 10710, "The Trade Reform Act of 1973."

I voted with the majority of the House of Representatives when it passed this bill last December 10th (272-140). Prior to that final passage, I voted for the Freedom of Emigration Amendment to Title IV. This was a critical amendment. It would have the effect of cutting off further U.S. Government credits to finance American exports to the Soviet Union. And it would deny the Soviet Union the most favored nation status it seeks on behalf of its export to this country, unless Soviet leaders allowed free emigration of their citizens.

Through all of the latest Moscow-originated public relations talk, hand-shaking, smiling photographs, and carefully-gauged communiques, one chilling fact penetrates loud and clear:

Henry Kissinger has returned without agreement on that all important second stage of nuclear strategic arms limitations (SALT II).

It is my understanding that, in diplomacy, as in law, a quid pro quo is basic to any sincere relationship.

I suggest that, for all of the talk of improved relationship with the Soviet Union, I find little indication that the Soviet leaders are giving us anything but ominous threats covered but thinly with a bit of double talk here and there.

With all the window dressing ripped away, this is the "something" that we can expect to receive from them in return for the ever-broadening range of concessions, subsidies—even gifts—that they continue to receive from us.

There is, therefore, an urgent need for us to separate the hard, cold facts of "detente" from the deadly euphoria of "detente."

It is my purpose, today, to call this Committee's attention to what I consider the most ominous symptom of the total "detente" syndrome: The manner in which U.S. and British computer technology, together with other U.S. technology, continues to make its massive contribution to the continued buildup of an ever-more-sophisticated and deadly Soviet war machine.

For example: We know that U.S. and British computer technology has enabled the Soviet leaders to advance development of their feared MIRVs from two to four years.

This bill, with its Freedom of Emigration Amendment, will have the effect of, at least, slowing down this dangerous outflow of our most advanced technology into the ever-growing Soviet war machine.

Lenin boasted: "When the moment comes for the hanging of capitalism, the capitalists will bid for the hemp."

As a consequence of White House-demanded Congressional relaxation of export controls in behalf of the Soviet Union, all too many U.S. corporations have stumbled over themselves in their unwitting eagerness to prove correct Lenin's ominous prophecy.

This is no credit to the long-range intelligence of corporate leaders. It is even lesser credit to the leaders of our Government who, lulled by their own rhetoric about "detente," have lost contact with the realities of communism, its ways and wiles, and its ultimate goal: World domination.

These leaders have ignored, certainly, the definition of "detente" given, last September, by Soviet Communist Party Chairman Leonid Brezhnev to his Politburo and to East European Communist Party leaders.

As summarized by U.S. Defense and State Department officials the Brezhnev definition is this:

"To the Soviet Union, the policy of accommodation does represent a tactical policy shift. Over the next 15 or so years, the Soviet Union intends to pursue accords with the West and at the same time build up its own economic and military strength."

"At the end of this period, in about the

middle nineteen-eighties, the strength of the Soviet bloc will have increased to the point at which the Soviet Union, instead of relying on accords, could establish an independent, superior position in its dealings with the West."

Actually, there was nothing new about the Brezhnev thesis. From the beginning, Soviet Leaders have often changed tactics; but only as a temporary means toward achievement of the ultimate goal.

That, at least in 1968, Dr. Henry Kissinger appeared to understand these basic Marxist-Leninist tenets and tactics was suggested by certain of the statements which he set forth.

Only last Tuesday, a *Washington Star-News* analysis reminded us of this 1968 Kissinger quotation:

"There have been at least five periods of peaceful coexistence since the Bolshevik seizure of power, one in each decade of the Soviet state. Each was hailed in the West as ushering in a new era of reconciliation and as signifying the long-awaited final change in Soviet purposes."

"Each ended abruptly with a new period of intransigence, which was generally ascribed to a victory of Soviet hardliners rather than to the dynamics of the system."

Referring to Dr. Kissinger's latest mission to Moscow, the *Star-News* analysis added this observation:

"Secretary of State Henry A. Kissinger's scene-setting mission . . . is surrounded with the diplomatic trappings of great events in the making and major achievements within each. But the signs are abundant that the current stage of the U.S.-Soviet detente is reaching the end of a phase, and that the current 'era of reconciliation' is nearing the natural close."

It is most significant that this observation was written on the same day that the news wires were carrying glowing accounts from Moscow of how the American Secretary of State and Soviet Communist Party Chairman Brezhnev had publicly vowed that their so-called "detente" was "irreversible."

Much less reported was the infinitely more significant statement by Mr. Brezhnev that the "alternative" to detente "is war."

Unfortunately, just as their so-called "detente" is on Mr. Brezhnev's terms, so would be the "alternatives." It would be his "war."

One of Communism's oldest, most basic tenets is that the Communist Party must never engage in so-called "adventurism"; that is, a Communist power must never start a war without advance assurance of victory. Like his predecessors, Mr. Brezhnev continues to build for the day when his unleashing of Soviet military might against us will enjoy such advance assurance.

Unfortunately, laymen—in government, the media, the public—continue to think of military power in the traditional terms of guns, and planes, and tanks, and ships, and bombs—including nuclear bombs. We fail to appreciate that the very heart of latter 20th Century weaponry is the computer.

Told that U.S. computers are being sold to the Soviet Union, Most Americans feel no alarm. But they should.

The computer is not simply a calculating machine. It is an entire system. Big operational structures such as missile forces, require computers; so do ships, airplanes, missiles and space vehicles.

Until recently, direct export of U.S. computers was restricted by export control regulations. Even so, the origin of today's Soviet systems can be traced to the United States. Following World War Two, the Soviet Union received computers almost entirely from West European plants of IBM.

The earliest American computer sale to the Soviet Union that can be traced was a Model

EXTENSIONS OF REMARKS

802 National-Elliott sold in 1959 by Elliott Automation, Ltd., of the United Kingdom. National-Elliott is a General Electric subsidiary.

In 1966, Standard Cables and Telegraph, Ltd. installed a Standard 7 x 8 instrument landing system at Moscow's D. Sheremeteva Airport. Standard Cables was then a subsidiary of ITT.

In 1968, a second-generation Control Data Corporation 1604 System was installed at the Dubna Soviet Nuclear Facility near Moscow.

In 1972, Control Data sold the Soviet Union a third-generation CDC 6200 system computer.

For these systems, Control Data's operating statement has improved by about \$3 million in sales over the past three years. And the Soviet Union has gained 15 years in computer technology.

As 1969 ended, it was estimated that Western computer sales to all of Communist Europe and the U.S.S.R. were running at \$40 million per annum. In great part, three came from American subsidiaries.

In 18 months during 1964-65, Elliott Automation delivered five Model 503 computers to the U.S.S.R. The Elliott 503 ranged in price from \$179,000 to more than \$1 million, depending on its size.

By the end of 1969, General Electric-Elliott Automation sales to Communist countries were four times greater than in 1968.

This market accounted for one-third of General Electric-Elliott's computer exports. Other G.E. machines, including a Model 400 made in France by Compagnie des Machines Bull, were also sold to the U.S.S.R.

Olivetti-General Electric of Milan, Italy, also has been a major U.S.S.R. supplier of G.E. computers.

In 1967, Olivetti delivered \$2.4 million worth of data processing systems to the U.S.S.R. This was in addition to Model 400 and Model 115 machines already sold.

In 1967, English Electric sold the U.S.S.R. its System Four Machine with microcircuits. This machine incorporated RCA patents. It was similar to the RCA Spectra 70 series.

Over the years, the U.S.S.R.'s largest single supplier of computers has been International Computers and Tabulation, Ltd. of the United Kingdom. The latter also licenses RCA technology. It has supplied at least 27 of 33 large computers to the Soviet Union.

In November, 1969, five of the firm's 1900 series computers valued at \$12 million, went to the U.S.S.R.: These were large, high-speed units with integrated circuits. Without question, they were well in advance of anything the Soviets were able to manufacture in the computer field; even by copying previously-imported technology.

These machines are capable of solving military and space problems. But, being machines, they cannot distinguish between military and civilian problems. There is no way that a Western firm or government can prevent Soviet use of computers for military work.

In 1970-71, came the ultimate insult:

The Soviets indicated that if International Computers, Ltd. of Great Britain was allowed to sell two big, fast, highly-sophisticated 1906A computers, American scientists would be allowed to participate in further research at the Serpukhov Institute of High Energy Physics. The key equipment at Serpukhov, including the bubble chamber, had come from the West.

The Soviets gave "ironclad" guarantees not to use these new British (RCA) 1906A computers for military research. But, gentlemen, we don't know how to prevent the Soviets from using the 1906A for military purposes against us.

Business Week of April 28, 1973, published word that the Soviet Union had contracted for an IBM third-generation 370 computer system. The price: A reported \$10 million.

According to the *Washington Post* of July 6, 1973, and the *Wall Street Journal* of August 8, 1973, James Binger, Chairman, Honeywell Incorporated, Minneapolis, told a Moscow news conference his firm had begun negotiation with the Soviet government on two contracts involving several million dollars.

During a recent aviation-space industries exhibition, Soviet interests were noted. U.S. companies at the exhibition included: Westinghouse Electric Corporation, Bendix Corporation, Collins Radio Company, Texas Instruments, Inc., Boeing Corporation, United Aircraft Corporation, Lockheed Aircraft Corporation, Raytheon Corporation.

U.S. News and World Report of January 28, 1974, said International Business Machines and the Univac Division of Sperry-Rand were competing in two areas for contracts for two data systems for Soviet aviation.

Red Star, the official organ of the Soviet Army used the Remington-Rand Univac computer to illustrate an article on Soviet computers with captions translated into the Russian language.

In *Science* magazine of February 8, 1974, Mr. Wade B. Holland, Editor, Rand Corporation's *Soviet Cybernetics Review*, stated:

"There are no rigid standards. Getting a license to export depends on how much weight you can throw or whether your timing is right.

Even as I am worried about the export of computer technology to the Soviet war machine, I am worried about export of precision grinding machines for manufacture of precision miniature ball bearings.

Ball bearings are an integral part of many weapons systems; there is no substitute. The entire Soviet ball bearing production capability is of Western origin. All Soviet tanks, all Soviet military vehicles, run on ball bearings manufactured on Western equipment—or on copies of Western equipment.

All Soviet missiles, all Soviet related systems—including guidance systems—have bearings manufactured on Western equipment—or on Soviet duplicates of Western equipment.

Bryant Chucking Grinding Company, Springfield, Vermont, has been a major supplier of ball bearings processing equipment to the Soviet Union.

In the 1930s, when the U.S. Government and corporations were providing massive infusions of industrial technology into the Soviet Union, Bryant shipped 32.2% of its output to the U.S.S.R. In 1934, Bryant shipped 55.3% of its output to the U.S.S.R.

In 1959, under the then slightly relaxed restrictions commensurate with Khrushchev-decreed "peaceful coexistence," Bryant was able to sell 46 Centalign B machines to the U.S.S.R. In 1960 the U.S.S.R. placed an order for 45 similar Bryant machines. The U.S. Department of Commerce indicated willingness to grant Bryant an export license. Bryant accepted the order. It was not filled, however, because of Defense Department objections that the machines would be used for production of bearings utilized in strategic components for Soviet military end items.

The Bryant-Commerce Department effort to export the Bryant machinery resulted in an investigation by the U.S. Senate Subcommittee on Internal Security. The Subcommittee's report stated:

"We are now concerned . . . the decision to grant the license was a grave error."

Yet, in 1972, the Commerce and State Departments approved Bryant's export to the Soviet Union of 164 precision grinding machines of a new-generation so sophisticated as to be able to manufacture miniature ball bearings to tolerances of 25th millionth of an inch.

If this, in itself, is not a bit chilling to those who recognize the importance of such precision equipment in the hands of the Soviet Union permit me to add the information that while, in that manner, the Soviet's war

April 2, 1974

machine gained 164 of these machines; while the United States, reportedly has never owned more than 77 of them.

Recent reports about agreements signed by General Dynamics Corporation with the Soviet State Committee for Science and Technology are also disturbing. The five-year agreement for scientific and technological cooperation covers such defense-related fields as ships and shipbuilding, telecommunications equipment, asbestos mining and processing, commercial and special purpose aircraft, computer-operated microfilm equipment, and navigations and water buoys.

Also upsetting is Fairchild Corporation's agreement with Communist Poland for sale of U.S. integrated circuit technology used extensively in modern weapons systems and in third-generation computers.

The February, 1974 issue of *Armed Forces Journal International* reports this: The Soviets are asking major U.S. aerospace firms (Boeing, Lockheed, McDonnell Douglas) to sell them, on a major scale, the manufacturing technology and managerial expertise to build wide-bodied commercial jet liners.

Development of the Kama River truck factory will undoubtedly contribute further to Soviet military capability. Quite obviously any truck can haul troops and ammunition to the front as easily as it can transport corn from the field.

In the Soviet view, the competition between Communism and U.S.-based non-Communism for scientific and technological superiority relates especially to direct military power. For there, as Soviet leaders have always seen it, rests the key to their ultimate goal of world domination. It follows, therefore, that strengthening the Soviet armed forces must forever have first call on all scientific-technological resources and capabilities.

Because, again and again, Soviet scientific-technological resource capabilities have ranged from inadequate to dismal failure, U.S.-based superior resources have been tapped. As they have been, so shall they continue to be—unless—the Congress of the United States shuts off the supply of this which, like the U.S. scrap metal of the 1930s must one-day find its end result in a Soviet-inflicted nuclear Pearl Harbor.

I respectfully commend this problem to the attention of this Committee. I do so with great concern. I do so in the hope that serious consideration be given to badly-needed legislation to bring an end to what should never have been started. Provision to the Soviet Union and other Communist countries of anything which, by any stretch of the imagination, could possibly be used for military purposes against us.

Mr. Chairman, again, I thank you for this opportunity. I thank the Committee for its attention. I request, most sincerely, serious consideration to the facts which I have set forth, and to my plea for sanity in the name of U.S. freedom.

MASS TRANSIT NEEDS IN DADE COUNTY, FLA.

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. LEHMAN. Mr. Speaker, Hon. John B. Orr, Jr., mayor of Metropolitan Dade County, Fla., recently testified before the Subcommittee on Transportation of the House Public Works Committee on H.R. 12859, the Unified Transportation Assistance Act of 1974.

Mayor presented his statement on behalf of the U.S. Conference of Mayors,

as well as to spell out the enormous needs for mass transit assistance in south Florida.

Mr. Speaker, I fully agree with Mayor Orr, and am inserting his testimony into the RECORD for the attention of my colleagues:

TESTIMONY BY HON. JOHN B. ORR, JR.

Mr. Chairman, members of the Committee, I am John B. Orr, Jr., Mayor of Metropolitan Dade County, Florida, and a member of the Transportation Committee of the U.S. Conference of Mayors. I am here on behalf of the Conference of Mayors as well as Metropolitan Dade County. The U.S. Conference of Mayors is the national association of cities of over 30,000 population, represented by their chief elected officials, their mayors.

I appreciate this opportunity to appear before this Committee to comment on H.R. 12859, the Unified Transportation Assistance Act of 1974. An analysis of that bill is submitted to the Committee as part of our formal presentation.

Rather than addressing myself to the specific provisions of UTAP, allow me to present the views of the U.S. Conference of Mayors on a national transit legislation program for 1974. As the Committee will see, our proposals demonstrate the funding level for UTAP is woefully inadequate. I will then describe our situation in metropolitan Dade County, and justify why we need a fixed guideway transit system.

NATIONAL TRANSIT LEGISLATIVE PROGRAM
FOR 1974

A massive positive national program for improving and expanding public transportation facilities and operations in our urban regions, as well as in smaller communities, is now mandated by a combination of critical factors. Besides the sheer necessity of providing greater mobility for people as a prime public service, these critical factors also include the pressing necessity to utilize efficiently—and conserve—our sources of energy and the real threat that life itself, as we know it in our urban areas particularly, could become grievously injured if drastic measures are not taken to protect the environment.

Our new national program for improving and expanding public transportation must have a thrust comparable to the all-out effort and support that we have given to space exploration. Further, this new thrust for public transportation must be elevated to the crash-program level comparable to space exploration, free from the time-consuming restraints of red tape that so often hampers the legislative and administrative process.

With such a thrust as the over-riding objective, the following program is proposed for action in 1974:

A combined effort by Congress and the Administration to increase to at least \$3 billion a year the capital grant program of the Urban Mass Transportation Administration. This program should be assured for a minimum of \$15 billion for the next five years, with full realization that this outlay may have to be increased as time goes by because of inflationary pressures and the identification of new needs.

A combined effort by Congress and the Administration to provide, for the first time at the federal level, an adequately funded program of financial assistance in the operation of public transportation systems. State and local governments no longer can bear the responsibility of providing financial assistance for transit operations alone. The time for federal government help is long overdue. As a beginning, the federal government should provide \$600 million a year in financial assistance for transit operating costs.

The adoption by the federal government—again through a combined effort by Congress

EXTENSIONS OF REMARKS

and the Administration—of an emergency program calling for an outlay of at least \$400 million in 1974 to help expanding transit operating fleets as quickly as possible. For the most part, such an emergency program would be directed toward placing more buses on the streets. It also would require the cooperation of the automobile manufacturing industry in tooling up to produce the buses we need. In this respect, we must think in terms of crash-efforts that were successful in providing aircraft in times of war.

An immediate refinement of the Federal Highway Act, which, as adopted in 1973, gave public transportation, for the first time, a share of the assured source of funds of the Highway Trust Fund. Such refinement of the Federal Highway Act should be directed not only toward placing public transportation on a par with consideration given highway improvements, but also toward national and region-wide planning on the basis of total transportation needs. The ultimate goal should be the creation of a single Transportation Trust Fund.

The elimination without any further delay of all impediments which thus far have made ineffective the highly desirable procedure to providing federal aid for transit improvements through the so-called contract authority procedure. This procedure, already incorporated in federal legislation, is designed to assure the necessary funding over a period of years—such as a span of five to ten years—so that public transportation systems can carry out the large projects which cannot be accomplished overnight or in a single year. This contract authority procedure is an excellent idea, but it must be made to work.

In taking this immediate action, we must, of course, keep in mind long range goals—such goals as developing a National Urban Transit Plan and Policy. Such a national plan and policy should be developed as quickly as possible.

It has been suggested that a National Urban Transit Plan and Policy should be developed by the Department of Transportation and Congress by 1977. There is, however, a real danger in setting such a deadline four years from now. It could lead to procrastination providing we do not set earlier deadlines for planning. While longer range planning may be an ideal objective for many reasons, we also should not lose sight that planning is also an immediate and continuing process. Immediate and continuing planning must go hand in hand with long range planning.

Most important of all is the mandate for immediate action at the federal level.

Coupled with the need for immediate action is another extremely important factor.

A massive program with increased funding for public transportation will have little chance of success if Congress and the Administration do not provide the assurance that large appropriations of funds will actually be provided for public transportation systems.

There must be the immediate elimination of the impediment that has stalled many transportation improvements in recent years.

The impediment and barrier has been the impounding of transit appropriations by the Office of Management and Budget.

To appropriate funds for public transportation but then to impound the funds is a practice that no longer can be tolerated.

Such was not the case for space exploration. Such cannot be the case if we are to meet the pressing needs for improved and expanded transportation on earth.

This can only be effected if four factors come together:

First, local control over urban transportation projects;

Second, full flexibility between highways and mass transit, capital and operating costs;

Third, adequate and guaranteed funding to meet all needs; and

Fourth, a single Transportation Trust Fund.

I shall now demonstrate, through the experiences of Metropolitan Dade County, Florida, the justification for the National Transit Legislative Program of the U.S. Conference of Mayors.

Urbanized Dade County is a 20th century American city of 1.3 million, with relatively low density development spread over many miles. Though there is a downtown, the Central Business District of Miami, it provides only 8% of the jobs. There are 12 other main employment centers scattered throughout the urbanized area.

The County has completed its authorized Interstate Highway System and other urban freeways. These roads are badly overcrowded in rush hours and traffic moves very slowly. In 1972 there were at least 50 miles of arterial streets and freeways carrying 150% of their designed capacity, and at least 100 other miles of arterials carrying 115% of capacity. Since 1972, vehicle registration and gasoline consumption, and therefore miles driven, have increased 18%, and almost no new roads have been opened. When traffic exceeds designed capacity on roads, the result is that it slows down.

The bus system is publicly owned and has been gradually improving service. But buses currently do not provide adequate transportation. The running times are slow and service between many points is not available.

We have a transportation "problem" in Dade County. Mobility is limited, inefficient, slow and expensive. The private car is relied upon disproportionately. The large elderly population, many of whom cannot drive, and the poor and the young who do not have cars, are severely restricted in their mobility. The transportation problem limits employment opportunities because the people can't get to the jobs and restricts the capacity of many residents to participate in the full variety of our community life.

In moving to solve this problem, we have concluded that we cannot put additional reliance on the private car. Indeed, we cannot use the automobile to the extent we now do. The facilities for automobiles are used to capacity. The roads and streets are full and the city is full of roads. Parking lots are full and the city is full of parking lots.

At the present time, 22% of our urban land, and over 40% of the Central Business District, is devoted to roads and parking lots.

We cannot increase that capacity without unacceptable costs. To build more freeways means destroying homes or businesses. To create more parking means taking more space from what the city is for.

Our city has spread out largely because of the automobile, and this spread contributes to our transportation problem. To try to build more automobile facilities would require greater dispersal as commercial, industrial and residential uses are converted to roads and parking.

We need to encourage greater concentration of facilities.

Let us look at this matter from the point of view of the function of cities. What are cities for? Why are there cities? The reason for cities is to create the *marketplace*—of ideas, of goods, of culture. The marketplace requires direct confrontation between people. Physical concentration is necessary for confrontation.

To a large extent, the private automobile hinders this function simply by taking up too much space—in streets and for storage.

Streets are crucial elements in the marketplace, as they tie facilities together and make communication possible. Streets filled with auto traffic become barriers instead of facilitators of communication.

We must also remember that cities are dependent on the resources of the land that

EXTENSIONS OF REMARKS

supports them, and cannot consume resources beyond the capacity of that land to produce. The private automobile, used as the primary transportation mode, already clearly is straining the resource base of the world's cities. Even smaller cars are profligate in their consumption of fuel, metals and other products.

I hope that, in planning for the transportation future, we can set aside the question of air pollution. This health problem, caused mostly by cars, is increasing in severity in Dade County yearly, and causes intolerable situations in many cities. Apparently, there will be cars that produce minimal pollution by latter in this decade.

We must bring about a change in transportation practices, changing many trips from private car to public modes.

To achieve this, we must proceed in two ways simultaneously—improving public transit while discouraging autos.

There are two strategies for reducing auto use. One is pricing—increasing the cost of gas, parking, tolls; the other is withdrawing resources—reducing space, parking and streets, and limiting fuel.

The pricing strategy is a license to drive for those who can afford it. If cars hurt cities, there is no justification for this license.

I believe we should withdraw resources from the private car and devote some of those resources to the public modes. I see no evidence that America can afford both cars and transit. We should widen sidewalks so pedestrians can move, create bus lanes and bicycle lanes from street space formerly devoted to cars, husband our fuel resources, giving buses and trains all they need, and change our ordinances to limit new parking facilities, instead of requiring them in new buildings. We should withdraw the resources of street space, parking space and fuel.

I believe these measures are a matter for local government. We in Dade County are starting to accept our responsibility. On one major commuter route, we are closing two lanes to private cars, creating a bus lane and a carpool lane. On another overcrowded freeway route, we are adding a lane, but it will only be used by buses.

But at the same time, public transit must be improved. It must be made faster, more reliable, more comfortable, more convenient and reasonably priced.

Since public transportation is in fact cheaper, as I will show, I want to see a situation where transit is so good people can have the choice of giving up a car and saving money. To do this, transit must provide transportation that competes with the service qualities of the automobile.

It is in the transit improvement side of the strategy that we need federal help. And it seems to us equitable and appropriate that this help should be forthcoming.

We need the federal help because the costs of adequately improving transit are beyond the financial capacity of the nation's cities. As a general matter, the basic revenue source for cities, the property tax, is at a level where any increase would approach confiscation, and would impose unfair hardships.

There is a strong federal interest in improving mobility in urban areas. Fuel and materials conservation is a national matter. Many urban areas are multi-state so we are dealing with interstate commerce. As a mobile citizenry, the ability to move about in any city, affects us all.

Let me address myself now to the question of the kind of transit that we need. We in Dade County studied this issue and opted for a grade-separated, fixed guideway backbone system, supplemented by express feeder buses. It is not an "either/or" system, but a comprehensive and balanced approach that builds upon and improves existing capacity. We considered and rejected an all-bus system. We cannot continue reliance on cars.

We balanced the considerations of service and cost. We committed ourselves to a \$700 million system, and passed a \$132.5 million general obligation bond issue.

Let me spell out the reasons for our decision to choose this system.

1. *Cost*—It has been suggested that fixed guideway transit systems are unjustifiably expensive. In fact, fixed guideway systems are cheaper than freeways. In urban Dade County, a four lane freeway costs \$15 million per mile. The land and guideway for our system will cost \$12 million per mile. The capacity of a four lane freeway is 10,000 persons per hour. Our system will handle up to 15,000 persons per hour and I might note that the Toronto system can carry 39,000 persons per hour.

The freeway requires four times as much land.

It has been suggested that the job could be done by improvements in bus service that would require far less capital. This question involves a definition of the job that needs to be done. To provide the service characteristics that will challenge the car, the rail system is necessary.

The capital costs are clearly higher than for buses alone. You pay more, but you get more. Over half, \$400 million, of our costs is for construction of the guideway. It is the guideway which gives the advantages of speed, safety, comfort and lower noise pollution.

The rail cars cost more than buses. Our 380 vehicles will cost \$225,000 each, and will seat about 70. A new bus today costs \$38,000 and seats about 50. The rail car will be depreciated over 20 years while the bus has an economic life of only 10. Nevertheless, the rail car costs \$180 per seat per year while the bus costs about \$85.

But again, you get more. The rail vehicle provides the advantages of speed, comfort, quiet, safety, and less pollution, and provides greater service.

While capital costs are higher, operating costs will be lower for our rail system.

The rail system will cost only 41% of what buses cost to operate—46¢ per vehicle mile compared to \$1.11 for buses. The rail vehicles are substantially larger than buses. The reason for this is the labor intensiveness of buses. When you add capacity, you add drivers to the same extent. Labor costs are 61% of the bus costs of \$1.11 per mile. With rail, labor costs are 56% of rail operations, 26% of 46¢.

Let us look now at the advantages of rail.

2. *Speed*—The rail system has a clear advantage in speed. Presently, the average speed for all buses is 11 m.p.h. This is reduced somewhat in rush hours. The average automobile speed is 23 m.p.h., but in rush hour this is lowered to the 11-12 m.p.h. level of buses. The average speed of our rail system will be 23 m.p.h. There will be no reduction in rush hour.

The average speed of the trains will be twice the current level for buses, equal to that of cars—but twice the rush hour car average. Bus speeds can be improved on some routes by making express lanes and bus-only lanes, but the opportunities are limited.

Currently, the bus trip the length of Miami Beach takes one hour. The transit schedule will be 18 minutes. There is little opportunity for improving bus schedules on this route. Miami Beach to downtown Miami now takes 45 minutes by bus. The transit will take less than 20.

3. *Service*—Our investigations gave us no evidence that the bus can offer the quality of service that a fixed guideway car can. The rail cars are smoother in ride and in acceleration and stopping and are roomier. Buses cannot provide the facilities that make it easier for the elderly. Rail cars can be entered without steps. The smoother ride is far easier for the infirm.

April 2, 1974

4. *Pollution*—With present technology, buses cause far more air pollution and the multiple sources make abatement difficult. The electric system produces pollution at only one source, so reduction is simplified. Bus pollution is emitted where people are, while electric generation emissions are generally away from concentrations of people.

We saw no evidence that buses can be made as quiet as the rail cars. Much of the rail system will be elevated, removing the source of noise from the pedestrian and residences.

5. *Safety*—The national experience is that rail transit has half of the accidental injury rate of bus transit.

6. *Utilization*—Part of the conventional wisdom about public transportation is that rail systems cannot work except where there is high density residential and business development and highly concentrated travel into and out of a central business district.

We believe that, on the contrary, a large geographic area like ours requires the high speeds possible only by rail for successful transit. It is the speed that gives our system the flexibility that can enable people to travel by transit. Our system will run to within walking distance of 380,000 residents and 302,000 jobs.

BEEF CATTLE INDUSTRY

HON. ROBERT PRICE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. PRICE of Texas. Mr. Speaker, as a fourth generation rancher and cattle-feeder myself, I want to see the \$20 billion beef cattle industry prosper and grow as I feel this is one of the great examples of a pioneer free enterprise industry which produces the No. 1 nutritious food for the American family. Beef.

Mr. Speaker, live cattle prices have come down 15 percent to 20 percent during the past month, resulting in cattle feeders suffering losses of \$75 to \$125 per head on meat animals marketed; and retail beef prices have not come down proportionately; and current retail prices for beef have apparently met some consumer resistance; and retailers drastically reduced their featuring of beef following the truckers' strike.

The public is getting hit with higher retail prices for beef at the same time farmer's prices are going down.

The spread between retail prices and farm prices for choice beef jumped 10 cents per pound for the week ended February 16. Retail beef prices increased from an average of \$1.48 per pound in mid-February to an all-time record of \$1.53 per pound at the same time that farm prices for choice steers had fallen \$12 per hundred pounds.

Prices for live cattle have been falling since mid-February, while there are indications that retail prices and the retail spread are at, or close to, record highs.

It is time for retail prices to reflect the lower prices for live animals. It would be helpful if retailers were to promote beef through special sales programs. If retail stores would reduce their profit margins to something like normal levels, they could pay the farmers more, or charge consumers less, or both.

The beef industry groups assure consumers that ample supplies of beef cattle are available now and for the next several months—and that they should be able to buy beef cheaper.

I have several suggestions that we might follow in order to help not only the beef producer but also the consumer. They are as follows:

First. That chain stores be urged to continue and expand the featuring of beef and do all possible to move the current oversupply of beef that has stacked up in feedyards and in cold storage; and

Second. That the DOD of the United States be urged to modify their specifications for beef purchases and move forward their purchase dates, in order to take advantage of current low prices; and purchase domestic beef for our overseas bases.

Third. That Congress and the administration take steps to immediately end the economic stabilization program on food, which has not been successful but which has disrupted normal marketing patterns of beef and caused cattle feeders to lose an estimated \$1 billion since September; and

Fourth. That the meat grading branch of the U.S. Department of Agriculture be urged to change present grading standards, taking into consideration that we have a shortage of grain in the country, that cattle gain less efficiency during the last 30 to 40 days of normal feeding—it takes more pounds of grain per pound of gain to put on the excessive fat—and that the upper end of the present U.S. good grade is acceptable to most consumers; and

Fifth. That cattle feeders support and help National Cattlemen's Association and the National Livestock and Meat Board in their efforts to maintain liaison with chain stores and to expand the promotion of beef.

My real concern today is that unless something is done immediately, the cattle feeders will be bankrupt and will not be able to continue feeding cattle. As a cattle feeder myself, I know first-hand that the losses, which have been sustained within the last few months and weeks, are only indicative of the overall situation facing every cattle feeder in the business. Not only will the present low prices of fat cattle break those who are feeding cattle, but it will also shake the banks and the other financial loan companies that have been loaning large amounts of money to develop and keep the cattle industry in business. If this happens, the cattle feeding industry will be set back years.

Not only is the cattle feeding industry in jeopardy at the present time but so is the future meat and food supply of the Nation. The present disastrous prices of fat cattle are also having a serious effect on cow-calf operations. It takes years to build a cow herd to supply the steers and heifers for feeders. For adequate supplies of beef in the future, it is imperative that steps be taken to alleviate this situation in the cattle industry.

Some people have argued that export controls should be applied to grain to drive prices down. Although it is true that grain farmers have had higher

prices for their grain this past year than in many years previous, their costs have also doubled. Consequently, even with the higher prices, many farmers will not break even. Grain sorghum, I believe, will fight any thought of export controls on grain. This is not the answer to the cattleman's problems.

The grain farmers are dependent upon the cattle feeders and the consumers are dependent upon both for their future food supply. I encourage you to help in every way possible to get the cattle feeders back on an even pattern of business without so many unusual interruptions from Government and economic agencies.

The cattle industry has always helped itself in the past. They have initiated intensive beef promotion campaigns, soliciting the help of supermarket chains in featuring beef and also assuring them of a constant supply as long as prices remain favorable for production.

The cattle feeding industry has been plagued with boycotts, price freezes, truck strikes, increased costs of feeding and so many factors wrecking its normal operation that one wonders how any industry could be expected to survive with these problems.

Consumers can expect a gradual return to more stability of beef supplies and prices if the Government does not again disrupt the beef production and marketing system.

The ill-advised beef price freeze of 1973 caused problems for consumers as well as the cattle industry—artificial beef shortages, abnormal fluctuations in beef supplies and prices, and, at times, higher retail prices than would have prevailed under continued operation of a free market.

The only solution to these problems is to eliminate artificial controls on agriculture and food, particularly where commodities like beef are involved, and let the free market system work. In this way, we can help assure greater longrun beef supplies, with more stable prices for consumers and adequate returns for producers.

One of the freeze-caused disruptions was a recent supply-demand situation which brought the largest drop in live cattle prices in history—decreases of up to \$20 per hundredweight in the fall of 1973. Because of high feed and other costs, along with the disastrous break in cattle prices, our feeding industry lost money at a rate of one-quarter of a billion dollars per month. You know full well that no cattle feeder can stay in business and keep producing beef for very long with losses of \$100 or more per head.

The larger beef supplies did bring slight reductions in retail prices before Christmas and consumers enjoyed good beef values.

However, the industry as well as myself had warned the Government, placements of cattle in feedlots were reduced in 1973 because of the freeze, high costs and prospective losses. Feeders still are not back to levels which permit most feeders to break even or show a profit. We will need consistently strong cattle prices if feedlots are to meet today's high costs

and have the incentive to go on producing beef in desired volume.

We must recognize, though, that we may never again see the very cheap meat and food of former years. The energy shortage, worldwide demand for feed and food and sharply higher production costs will not permit beef prices as low as the public became accustomed to. The shortages and costs of grain, fertilizer, protein supplements, feed phosphates and even baling wire are contributing to the rising costs, while limiting the production of food. Some supply shortages stem in large measure from the price control system and its distortions of an agricultural economy which can function efficiently only under the law of supply and demand.

Also, when the Congress banned use of the cattle growth stimulant stilbestrol in 1973, beef suppliers were reduced by the equivalent of 1 million head, and feed costs jumped by as much as 15 percent—still another factor in higher costs to consumers. If we are to produce the good protein food which is in demand, we cannot afford to eliminate—on a technicality of an unwise law—a production whose safety was proven in 20 years of use. DES has been reinstated but is of very little value because of uncertainty to reimpose the ban plus restrictive guidelines for its use.

The cattle industry also recognizes the seriousness of the energy shortage and will do all it can to conserve fuel. I also must emphasize that adequate beef supplies depend on fuel supplies for all segments of the production and marketing system. A shortage in just one place, like cattle delivery trucks, can and did disrupt the entire system.

We may not see lower beef prices during the balance of 1974, but we can hope for more stability of supplies and prices if the present price control law is not renewed. Price controls on beef have been tried 4 times in the past 28 years, and not once has this mix of politics and economics worked to the benefit of either consumer or the cattle industry.

The cattle feeding industry is heading for a wreck, unless the market situation turns around quickly. Even though the first three-quarters of 1973 were very profitable for feeders, they have suffered unprecedented losses the last 5 months, because of: First, Government interference in the form of a discriminatory price freeze last July; second, the energy crisis, which caused a "recession" psychology, resulting in consumers buying less beef; third, the truckers' strike; and fourth, increased feed costs.

On January 1, 1973, Texas had 2,215,000 head on feed; on February 1, 1974, we had 2,340,000 head on feed—a 5.6-percent increase. Marketings in February and March have been so slow, I estimate that 30 percent of the cattle that should have been marketed in February and March have been carried over to April. This means we will have a long supply for the next several months or an abundance of cattle for consumers.

Regarding cattle losses, the average loss is running from \$100 to \$125 per head, depending on how much the owner paid for the feeder calves. The biggest

loss that I have been able to confirm was \$178 per head.

An example: One company that marketed 27,569 head in October-November-December lost \$2,289,901 or an average of \$83.06 per head. On 10,175 head marketed in January and February, their losses were \$566,215 or an average of \$55.65 per head.

In Texas, we should market 398,700 head per month. If the average loss is \$143 per head, we are losing in Texas alone at the rate of \$1,900,000 per day, \$13,303,000 per week or \$57,014,000 per month.

Grain sorghum on March 1 cost feeders \$5.30 per hundredweight. That's an 18-percent increase since October 1—\$4.50, a 74-percent increase since May 1—\$3.05 and double that of November 1, 1972—\$2.50. The total feed costs now are about \$110 per ton, compared to about \$65 per ton a year ago.

Since it takes 9 pounds to 10 pounds of feed to put on 1 pound of gain, the cost of gain has increased from about 30 cents per pound a year ago to about 53 cents per pound in March. These figures include interest on investment and normal death loss.

Most feedyards in Texas are custom feedyards, meaning that they furnish "room and board" for the customer's—owner's—cattle. Many customers are going out of business, however. If this continues, the percent occupancy in feedyards could drop below the breakeven level—normally about 80 percent—and cause some feedyards to go out of business. Also, some feedyards that feed their own cattle could go out of business soon, if the losses on cattle continue.

You may ask, Will the smaller feedyards—under 10,000 head capacity—stay in business? Yes, but only if they can get the financing. While there are some economies to be gained in size, some of the smaller feedyards, if they are efficient, probably will be able to reduce overhead and compete with the larger ones.

What will it take to stop the big losses? The only way to stop losses for cattle already purchased and on feed is for chain stores to lower prices, feature more beef and move more beef. Consumers prefer beef and will buy more of it, if they can afford it. As retail sales pick up, the excess of heavy cattle—over 1,100 pounds—in feedyards, which are depressing prices now, will clear out and prices for all cattle will improve.

For cattle not yet on feed, it appears the only way to prevent a loss is for the feeder to pay less for the replacement feeder calves. At today's price for fat cattle—\$41 per hundredweight—and today's price of grain—\$5.30 per hundredweight—and this means feeder calves will have to be purchased for about \$31 per hundredweight—instead of the present 40 to 50 cents per pound if they are to break even. However, this jeopardizes the cow-calf operator and soon he will be losing money.

Of course, the preferred way out would be for fat cattle prices to increase; then everybody in the industry could make a fair profit. This means that fat cattle would have to sell for about \$50 to \$55

EXTENSIONS OF REMARKS

per hundredweight, considering today's cost of grain and feeder calves.

Additionally, placements during February were down about 30 percent, compared to the same month last year. This means there could be a short supply of fat cattle coming out during the summer, which would mean higher prices for consumers. If feeders continue to buy fewer replacements or to pay less for them—both of which they are sure to do—it will mean that farmers and ranchers who produce the feeder calves will probably have to sell them below cost. Thus, they will stop the expansion of their cow herds, which amounted to a 5 percent increase last year, and consumers will feel the effects 2 or 3 years from now. If the consumer demand for beef continues, as it surely will, then the shorter supplies will mean higher prices for beef in 2 or 3 years.

As I said before, the solution is not price controls. That is the cattle industry's biggest problem now—Government price controls, which upset the marketing patterns of cattle. The beef industry responds to and adjusts to the law of supply and demand remarkably well. Cattlemen want to increase production—to supply the consumer demand—and will do so, if left alone.

Another problem facing the cattle industry is the suspension of meat import quotas. On December 21, 1973, the Secretary of Agriculture announced that meat import quotas, which the President suspended for 1973 would be suspended for 1974. As you know, this suspension applies to fresh, frozen and chilled beef, veal, mutton and goat meat subject to the 1964 meat import law.

This meat will be able to move freely into the United States without restrictions except for meeting the usual inspection and health standards and tariff regulations.

The Secretary has stated that this suspension of quotas is expected to continue throughout the entire calendar year of 1974. However, as required by law, he will review the situation every 3 months. Should marketing conditions change substantially, the suspension of quotas will be reconsidered.

Furthermore, on January 2, the Secretary estimated that the United States would import 1 billion 575 million pounds of fresh meat this year.

We cannot expect to significantly increase the domestic supply of beef in this country, and thus provide our consumers with a continuing large supply of beef at reasonable prices, if we continue to import such increasingly large amounts of meat. Massive importation which undermines the ability of a domestic industry to produce in quantities capable of meeting domestic consumer demand does nothing to fight inflation over the long run. What we need is sufficient incentives for the meat industry to increase supplies to the point where consumers can obtain the meat they want at prices they can pay.

The food sector seems to catch more public flak than any other sector of our economy. Consumers always feel that they pay too much for food.

They will grumble about the price of a

new automobile once every 3 to 5 years. They will grumble about the price of a dress occasionally. They will complain about the rent when it increases. They will shake their heads in dismay over the price of new furniture when they make an occasional purchase.

But food—that is different. At least three times a week, and often three times a day, "It costs too much."

Mrs. Housewife echoes it. The college student in the dormitory echoes it. The truck driver at the lunch stop echoes it. The pensioner echoes it. The person tearing out food stamps at the checkout counter echoes it.

"If we could just roll back food prices," they say, "we could eat more food and better food and still have more money available to spend for the luxuries of living."

This philosophy is held, consciously or unconsciously, by perhaps more Americans than any other economic concept. The concept is false. It simply does not work that way.

Nevertheless, periodically pressures to "do something" build up in our society—first through the consumer route, then fanned by politically ambitious but economically irresponsible advocates, the movement eventually finds political expression of such force that governments succumb to the pressures and take strictly counterproductive action in the form of strict price controls in the food industry.

Shortly everybody learns, "We've been wrong again."

Those who fail to learn from the mistakes of history are condemned to repeat them. Economic history is no exception.

We wrote another chapter last summer in the history of counterproductive manipulation of food prices. When we slapped ceilings on meat prices, for example, great hurrahs went up from some consumer groups—"Aha; at least we have forced the hand of Government to take action against the selfish special interests in the food industry."

The victory was short-lived. Quickly baby chicks were destroyed. Poultry flocks were liquidated. Pregnant sows were sent to slaughter. Milk cows were marked for the block.

Within weeks the very consumers who had clamored for lower prices and for price rollbacks realized that everything was not going according to plan.

Every chick destroyed represented drumsticks that would never reach the meat counter. Every hen slaughtered represented dozens of eggs that would never be cartoned. Every pregnant sow headed for market represented pork chops that would not be eaten 8 months later. Every dairy cow turned into beef represented milk that would not be on the table.

The lesson was quickly and painfully relearned that low consumer prices are not the sole key—indeed not even the important key—to better living. Production is the answer. We live better only when we have more of the things we want and need—and the only way to get more production is to let stronger prices induce producers to turn out more. In

April 2, 1974

turn, increased supplies keep prices in line.

Farmers are no exception to this economic truth. We have just harvested record crops in 1973, and for 1974 American farmers will turn on their production spigot as never before. While some of this production may be response to patriotism or to exhortations by the Agriculture Department and the agriculture colleges the great bulk of it is purely and simply response to stronger market prices.

This is an incentive-oriented society. Some people call it a profit-oriented society. Call it what you will—but experience has shown us, over and over again, that there is no substitute for economic incentive in getting added production.

We ignored that experience last summer. We took the bureaucratic approach. We were wrong again—dead wrong.

For a little while after that lesson, everybody knew we had made a mistake. Our politicians knew it. Our bureaucrats knew it. Our economics professors knew it. Our consumers knew it.

All of us want the affluent life. We want plenty of wholesome, healthful, nutritious, and palatable food at reasonable prices. Experience has demonstrated, time and again, that the best way to obtain that food is when responsible profit is a viable incentive for farmers to produce it.

In other words, unless something changes soon the next big shortage will be beef and red meat. USDA's new cattle on feed report hangs out the warning signal that feedlot owners are continuing to cut placements in the face of high costs and substantial losses on every animal they finish for slaughter.

The total number of cattle on feed was 13,637,000 head as compared to 14,432,000 January 1, 1973—a decline of 795,000 head or 6 percent. That includes an increase of 4,000 head in the 27 States which feed very few cattle—575,000 in all 27 this year—making the decline 799,000 in 23 major feeding States for which statistics are compiled quarterly.

The 6-percent decline does not tell the whole story. The report shows placements down 15 percent in the 23 States in the October-December quarter. It shows December placements off 24 percent in the seven States reported monthly. Decline was 24 percent in September, 25 percent in October, and 8 percent in November.

By weight groups, here is what USDA found in the lots January 1:

[In thousands]

| All cattle and calves | Jan. 1 1973 | Jan. 1 1974 | 1974 as percent of 1973 |
|-----------------------|----------------|----------------|-------------------------------|
| Less than 50 lb. | 1,946 | 1,516 | 78 |
| 500 to 699 lb. | 3,847 | 2,977 | 77 |
| 700 to 899 lb. | 4,346 | 4,161 | 96 |
| 900 to 1,099 lb. | 3,076 | 3,404 | 111 |
| 1,100 lb and over | 646 | 1,004 | 155 |
| Total | 13,681 | 13,062 | 92 |

Placements in 1973 dropped in every month except January and March, ranging up to the 24 percent declines in September and December. In seven States on

EXTENSIONS OF REMARKS

which monthly data is compiled, 1973 placements were off 2,373,000 compared to 1972. Marketing for the year fell 1,033,000 leaving a deficit in the number in the pens of 1,340,000.

There are supposedly many hefty feeders waiting to get into lots which could be ready for market in a relatively short feeding period. But there is no sign that the lots are filling up yet, or will soon. USDA economists calculated in December a 1,050 pound steer would have to bring \$55.25 a hundredweight to pay the cost of production in the third quarter of 1973. It is more now, and prices have not risen close to \$55 yet.

If what lies ahead is indicated by past performance, placements will be off around 2 million head the first half of 1974—January through June.

Over the past 5 years, feeders have put 56 to 59 percent of animals for the feeding year into the lots in July-December, averaging 57.4 percent. The other 42.6 percent was placed in the January-June period. If this pattern applies this year, only 9.5 million cattle will go into lots in the first half of 1974, which is 2,300,000 short of a year ago.

The biggest on-feed cutback in January was Iowa's, at 207,000 or 11 percent. Colorado cut 120,000; Kansas, 90,000; Nebraska 56,000 and Texas 40,000.

Only six States showed a little gain and their total gain was 64,000.

Thus, it remains a mystery for me to figure out where the extra market cattle are coming from in the second quarter, as foretold by the USDA. They are not in the feedlots as they ought to be.

An economic fact that is currently asserting itself dramatically on food supplies in the United States and around the world is that if consumers want more of a product, they must offer some incentive to get it. That incentive, most of the time, is money.

It is not the nature of the agriculture business to expect high price guarantees for increasing production. Farmers know that prices go both up and down from a myriad of factors. What they do have to have, however, if they are going to make the added investments to produce more, is at least an opportunity to make more profit.

Beef production is an excellent example in the United States. The amount of beef reaching U.S. tables now as compared to several years ago is relatively much greater than the total number of cattle in this country now as compared to years ago.

For many years, the increase in beef production came in a large part from increases in efficiency on the farm. For instance, once upon a time steers were pastured until they were 3 or 4 years old before they were sent to market as "grass fat." Now, virtually all steers are fed grain and reach market at choice grade at only 2 to 8 months of age. On January 1 of 1973, the farms of this country had 11,651,000 milk cows. In 1935, they had 26 million. On the other hand, in 1935, the number of beef cows on farms was only about 14 million head, while on January of 1973 it was 41 million. With the smaller number of dairy cows, more milk is produced than in 1935. But with

more of cattle being beef animals which produce more meat than the dairy variety, total meat production is much greater than it used to be.

In addition, once it was customary to slaughter a large number of calves, particularly those in the dairy breeds, to produce veal. Now, virtually all calves are fed to top slaughter weights of 1,000 pounds or more, and this, of course, means more meat than if they were slaughtered at 200 to 300 pounds.

All of these things were done by farmers in response to demand and in an effort to make more money.

But in recent years, all the readily apparent efficiencies that would tend to greater beef production appear to have been accomplished.

The Nation's dairy herd is about at a minimum to produce the milk needed. Grass fat cattle are a thing of the past. Virtually all cattle are fed grain so that they reach slaughter weights early, and they are bigger because they are grain fed. Hardly any calves go to slaughter as vealers.

Thus, in recent years, the only way to get more beef for the heavy demand in the United States has been for prices to indicate to farmers and ranchers that they could make more money if they increased the size of their herds. This meant holding back heifers to produce more calves. And as time goes on, the only way to get more beef will be to raise more cattle.

The only way this country can get more forage supplies—pasture—is for the beef market to indicate to farmers it will be profitable to spend the money necessary for pasture improvements.

Virtually all of the Nation's grazing land now is being utilized. Much of it, in the Far West and in mountainous areas, cannot be improved upon with present technology.

In other words, ranchers cannot get profitable returns from the great expense of spreading fertilizer on vast acreages in moisture-deficient areas.

But they can improve pastures in the more humid areas by the use of fertilizer, brush control and by seeding improved grasses, all of which takes money.

Up to this point, the greatly increased beef cow herd has been able to find grazing because of decreases in numbers of other grazing animals. For every beef cow added since 1920, one horse, mule or dairy cow has disappeared and left its forage to feed the beef animal. Sheep numbers also have declined, thereby leaving more grass for cattle. There has been some comeback in the number of horses but not enough to approach the total of 26.7 million head in 1918.

The point is, that because of a rather static demand for pasture, the price structure has historically not provided a vigorous incentive to expand forage output.

Now it is no longer possible to reduce, percentagewise, the number of horses, dairy cattle and sheep as was the case earlier.

So, if consumers of this country want more beef, and more pasture is needed for the beef cow herd, then the market structure will have to be such as to pay for

pasture improvement. Present pasture rental rates in many States are not enough to induce much of such improvements.

Obviously, as more cattle are being fed grain, more grain is needed and this accounts for the great increase in utilization of corn and grain sorghums in recent years in the United States, along with those quantities fed hogs and poultry. Handling grain going from farms to feedlots of various kinds now is a big business.

In most years in the past, grains have been in surplus. But not now. Foreign and domestic demand appear to be taking all U.S. farms can produce. This year, all Government restrictions on production are off. Presumably, all available acres will be used. Of course, more acres may be made productive, if money is spent improving them.

At any rate, it does appear that many of the efficiencies that so easily led to greater and greater production in this country have been accomplished. If demand is to grow, as it seemingly will in this country and abroad, then consumers should be aware of an apparent economic fact. They will have to pay what it takes to get the added production.

This situation does not automatically suggest fantastic prices. But it does indicate prices promising a real possibility of a profit to the farmer who makes the investment to produce more. I may mean that the era of low farm prices has ended for good.

AN OUTSTANDING SEASON FOR THE EXETER HIGH SCHOOL BASKETBALL TEAM

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. YATRON. Mr. Speaker, I would like to pay tribute to the 1973-74 basketball team of Exeter High School. Through the outstanding performance of the players, this squad earned the Class B second place honors of the Pennsylvania Interscholastic Athletic Association. The team compiled an impressive 30-3 record, the most wins ever by a Berks County scholastic team.

Coach Rod Hand certainly deserves high praise for his role in leading the team through this superb season. The members of the team have earned praise for their obvious ability to excel and their willingness to cooperate in a team effort. The players on this year's squad were: Michael Barrasso, Charles Booker, James Brizek, Michael Ciabattoni, Craig Conrad, Kevin Conrad, Michael Edwards, Thomas Farina, Richard Hendel, David Hannerschitz, John Kubovsak, John Leinbach, Steven Meyer, Vincent Roberts and Ralph Stock.

This team has brought much honor to their school and their community. It is a pleasure to extend my warmest congratulations to Coach Hand and these fine young men and to bring their achievements to the attention of my colleagues.

EXTENSIONS OF REMARKS

CAUTION ON OFFSHORE DRILLING

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. BAUMAN. Mr. Speaker, in view of the report issued by the Council on Environmental Quality regarding offshore oil drilling, it would be well for us in the Congress to pause and consider its implications. Brian Henley writes in the Eastern Shore Times of Ocean City, Md., and points up the need to take a cautious approach in a very sensitive area of environmental concern. I include the edi-

[From the Eastern Shore Times,
Mar. 28, 1974]

torial at this point:

OFFSHORE OIL—UNDER CONSIDERATION BY

NIXON

(By Brian Henley)

After nearly a year of study, the President's Council on Environmental Quality announced last week that development of oil and gas rigs off the coast of Ocean City and other Atlantic resorts would pose serious environmental, economic and social problems.

Some of the findings by the council, which held a hearing on potential offshore oil and gas development in Ocean City last fall, are startling and deserve consideration by all residents of our coastal city.

The council learned that onshore development of refineries and other industries related to support of the oil firms could drastically alter the characteristics of this or any other resort.

Instead of clean beaches, we could have oil stained sand. Instead of clean water, we could have pollutants from refineries and petro-chemical plants. Instead of clean, ocean air, we could have airborne particles foreign to most of us. Instead of plenty wildlife, we could have over developed farm land or oily marsh and wetlands.

The President's council also discovered that much of the income generated by offshore oil production and related onshore industries would likely go to incoming businesses and populations. Most tourist based industries now found here would board their doors and seek cleaner lands.

The probability of a spill reaching shore from the Baltimore Canyon—an area just off this resort's coast said to be filled with under-sea oil—would be about 10 to 20 per cent. The area is now a popular fishing ground and supports two major businesses here now—commercial and sport fishing.

Not surprising, the council also determined that: the closer the rig is to shore the sooner a spill will likely hit the beaches; drillers off our coast would find Atlantic storms and weather conditions more severe than those found in the North Sea, a factor which could lead to more frequent spills; and, oil spills would stand a greater chance of reaching this beach during the summer and spring. If a slick occurred during those seasons, the resort would have no chance to repair damage to the beach before the height of the tourist season.

The findings by the council, along with their unpublished recommendations, now go to the President for his consideration. Nixon has indicated that he wants further exploration of offshore oil and gas in an effort to meet runaway domestic energy needs.

The President, like most of us, has been caught in a headlock not only by Watergate, but by the oil industry which has set its sites on coastal oil fields, no matter what happens to towns like Ocean City.

Area officials, residents, and all others should now, while certain moves are under

April 2, 1974

consideration in the White House on offshore development, implore the President to seek oil elsewhere lest we all be run off this coast.

ARGUMENTS AGAINST THE CPA AMENDMENTS

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. HORTON. Mr. Speaker, I would like to acquaint my colleagues with the reasons why I will not be supporting the amendments which I understand will be offered to the CPA bill, H.R. 13163. I am inserting in the RECORD my March 29 letter to OMB Director Roy Ash which discusses the proposals he made in a letter to the committee of March 13.

I am also inserting an analysis of the three very major amendments to the committee bill which are included in the Brown substitute bill, H.R. 13810. The Brown amendments, in my opinion, would pull the teeth of the consumer advocate and render meaningless the skeleton authority that would remain.

The material follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 29, 1974.
Hon. ROY L. ASH,
Assistant to the President,
The White House,
Washington, D.C.

DEAR ROY: I do very much appreciate the support the Administration has given to our joint efforts at developing an effective, yet responsible Consumer Protection Agency bill. Because of your continuing interest in producing the best possible legislation, I do want to acquaint you with the reasons why the Committee did not accept the amendments you suggested in your letter of March 12, 1974. I am sorry we did not have an opportunity to discuss your suggestions before the letter was sent. If you think it would be helpful, I would, of course, be happy to sit down with you in an attempt to reach an understanding of the issues involved.

INTERROGATORIES

Of course, you realize as I do that deleting the interrogatory section is not a viable alternative.

You go on to suggest that if deletion of the section is not possible, the Committee bill should be changed so that the host agency would have to agree to a CPA showing of merit before issuing interrogatories. Your approach was specifically considered by the subcommittee and full Committee, but not adopted. Instead the present language was included, whereby the regulatory agency may refuse to issue the interrogatories on the basis of certain findings it makes on the adequacy and appropriateness of the request. This emphasizes the regulatory agency's right to refuse to issue interrogatories. We also added a provision allowing the proposed respondent to petition the regulatory agency for reconsideration of the decision to issue interrogatories. And, of course, the respondent has a right to seek judicial review of the regulatory agency's decision that the interrogatory would not be unnecessarily or excessively burdensome to the respondent. Under the Committee bill, in any court test of the agency's decision to send an interrogatory, it would be necessary to disprove the regulatory agency's findings and not the CPA's statement of the necessity for the interrogatory.

You also suggest that the word "pending" is ambiguous and should be removed from

the language prohibiting CPA interrogatories where they involve information pertinent to "pending proceedings". Leaving the word in is intended to make clear that the CPA cannot use interrogatories when a proceeding has been initiated and subpens power or other compulsory process is available to the CPA and other parties. The interrogatories are to be used in the discharge of the CPA's investigatory responsibilities. When warranted by the resulting information, they may result in a CPA request to the appropriate regulatory agency that it initiate a proceeding. If the regulatory agency felt that the information collected by interrogatories prior to the proceeding was relevant and valid, then it would be foolish of us to insist in statute that the information acquired by the CPA be re-collected, any more than information now gathered by a regulatory agency pursuant to interrogatories during an investigation on its own initiative, has to be re-collected when a proceeding is started. If the regulatory agency felt the interrogatory information was not relevant or valid, then it could, of course, refuse to accept it or insist it be collected anew.

INFORMATION AVAILABILITY AND DISCLOSURE

You recommend that the word "voluntarily" be put back in section 10(b)(6)(B) of the Committee bill which gives the CPA access to trade secret information in other agencies unless it is claimed the information was not obtainable without a promise to treat it as a trade secret and, therefore, confidential. This word was taken out in subcommittee at the request of certain business and consumer groups. If it were restored, it would encourage business to request a confidential label for almost all information it submitted. The Committee felt the CPA should have a right to see information the Congress has authorized governmental agencies to obtain in view of the CPA's role as advisor to the Congress and the President, and its responsibility to investigate practices which are harmful to the consumer interest.

In deference to the other agencies, the bill makes special provision for information received from another Federal agency within any of the exempt categories of the Freedom of Information Act, including the trade secret category. In such cases, the CPA must conform to any notice from a Federal agency that the information is not to be disclosed to the public, or may be disclosed only in a particular form or manner. Thus each Federal agency is assured full control over disclosure of such information after it goes to the CPA.

Second, the bill contains a number of provisions specifically directed toward the protection of business confidential information. It prohibits public disclosure of trade secrets and other confidential business information. Under the Freedom of Information Act, non-disclosure of such information is authorized but not mandated. Thus the bill goes beyond the Freedom of Information Act in placing a positive and nondiscretionary obligation upon the CPA to protect trade secrets and commercial or financial information. Existing law, such as 18 USC 1905, which makes it a criminal offense for a Federal employee to release confidential information, would also apply, of course.

JUDICIAL REVIEW

You suggested that the CPA Administrator be required to make an affirmative showing before he could be allowed to involve himself in a judicial review where he had not participated in the case below. The Committee rejected this approach at the suggestion of the American Bar Association and the Administrative Conference of the United States. They argued that forcing a hearing on the showing that the case would further the interest of justice would unnecessarily delay

EXTENSIONS OF REMARKS

the judicial review, requires meeting an "extraordinarily indefinite" criterion, and would put him at a distinct disadvantage since in the majority of cases participation below in no way affects an aggrieved person's right to seek judicial review. The Committee felt a better way to handle the problem was to require the CPA, unlike other persons, to seek a re-hearing of the case before seeking judicial review. To emphasize the right of the court to dismiss a petition for judicial review based on considerations of equity, we allow courts to dismiss a case if they feel it would be "detrimental to the interest of justice". The Committee approach keeps the attention of the parties focused on getting at the issues of the case without causing undue delays and still giving the court clear authority to reject frivolous or unwise cases or cases where further litigation would be inordinately costly or otherwise unduly prejudicial to a company's interests.

Your second point is that we should allow a regulatory agency a reasonable time rather than the 60-day period included in the bill to decide on a petition for re-hearing. This language was included to assure that neither the CPA nor the regulatory agency would be able to delay final action simply through inaction. We felt the regulatory agency would be sufficiently acquainted with the record of its subject proceeding and would be able to pass on a petition for a re-hearing within 60 days. The provision would also permit the CPA to allow the agency additional time to make a decision if the CPA felt the delay would not be prejudicial to the interests of consumers.

EXEMPTIONS

You suggest in your letter that it would be "virtually impossible" to separate the "national security or intelligence functions" from the other functions of the Departments of State and Defense and the Atomic Energy Commission. I think that statement goes too far in that, indeed, there are numerous areas, such as Army civil works and surplus equipment disposal, where one can clearly identify non-security aspects. In the State Department case, for example, I would think the CPA might be interested in tariff agreements. It must be remembered that under the terms of our bill, the CPA can participate only to the extent that other persons may participate, such as business groups. If others are allowed to submit data and arguments, there is no reason to deny the same opportunity to the CPA.

You also raise a question about the prohibition against CPA involvement in collective bargaining and other management-labor matters. I think the only area where there could possibly be any involvement is in those NLRB proceedings involving unfair labor practices. The Committee felt it unwise to allow the CPA to involve itself in such hard-fought labor-management contests, which do not directly involve determinations of wages, hours, or other cost factors, but only assure appropriate conditions for employers and employees to negotiate such matters between themselves.

REPRESENTATION IN JUDICIAL PROCEEDINGS

You suggest that the Justice Department be given an opportunity to decide if it wants to represent the CPA in court proceedings. Under our bill, the only court proceeding in which the CPA itself would intervene as a party would be that in which the CPA seeks or joins in judicial review of an agency decision. In many cases, the Justice Department would be representing the regulatory agency involved. In such cases the Justice Department would be confronted with a conflicting interest. The Committee felt both the CPA and the Justice Department would be put in an untenable position if the CPA had to first show its case to the Justice Department to get it to disqualify itself before being able

to then argue against the lawyers of the Justice Department representing the regulatory agency.

CRIMINAL INVESTIGATORY MATERIALS

Finally, you suggest that investigatory files prepared in connection with criminal cases be exempted from disclosure to the CPA. I would point out that the FBI is exempt from CPA involvement by the terms of the Committee bill; and this, for the most part, accommodates any concern over criminal investigatory files. In other cases, as you may be aware, investigations generally result in civil action, although occasionally, criminal action may be undertaken. In any case, the investigation develops one record, principally civil in nature, and it would be next to impossible to distinguish the criminal material from the civil material. The Committee felt it would be wrong to close the civil investigatory files of the agencies just because at one point there may be an additional criminal charge filed as well based on the same information.

Kindest personal regards.

Sincerely,

FRANK HORTON.

ANALYSIS OF MAJOR AMENDMENTS INCLUDED IN THE BROWN BILL, H.R. 13810

PROHIBIT JUDICIAL REVIEW OF LEGAL WRONGS SUFFERED BY THE CPA IN REPRESENTING CONSUMERS

Basic to our system of government is the notion that if someone is treated illegally or improperly by an agency of the government, he may ask a court to order the agency to act within the law. I expect an amendment will be offered which would allow the CPA to seek judicial review only in cases involving its "access to information or to an opportunity to represent consumers in a proceeding or activity." In other words, legal wrongs sustained by the CPA while representing consumers would not be subject to judicial review. Such a proposal would put the CPA in a clearly inferior position to business and other advocates. The Committee bill essentially grants judicial review "to the extent that any person, if aggrieved, would have a right of judicial review by law." In the interests of fairness and parity, I feel the CPA should be given the rights to judicial review that are accorded by law to other persons.

LIMITS CPA PARTICIPATION IN ADJUDICATORY PROCEEDINGS TO THAT OF AN AMICUS

Regulatory proceedings of the Federal government can be divided generally between rule making and adjudications. The former category results in agency rules which have the force of law. The adjudications at issue determine whether laws have been violated. The laws involved are civil, not criminal although sometimes a criminal action may be discovered in investigating a civil violation. I understand an amendment will be offered which would disallow the CPA from fully participating in such adjudications. The Committee bill limits CPA involvement where punishment is being considered. The reason the Committee did not limit participation in all proceedings is that in most of these cases the determination of whether a law has been violated involves consideration of the applicability of standards of law or rules to certain practices. Many major revisions in regulatory standards have come through adjudications. We cannot restrict the CPA's right to involve itself in those cases where major issues on the scope or applicability of regulatory laws and rules are decided. It should be noted that under the Committee bill, there is no diminution of the alleged violator's rights to due process and procedural fairness, and he can fully protect his rights through the courts, even in cases where the CPA is participating.

EXTENSIONS OF REMARKS

MAKES NO PROVISION FOR INFORMATION-GATHERING BY THE CPA FOR INVESTIGATIONS OUTSIDE FORMAL PROCEEDINGS

One of the most difficult issues for the Committee was deciding how much information-gathering ability the CPA should have. Some favored broad authority to collect information by direct subpoena issued by the CPA itself; others felt it should have no ability at all to gather information relevant to serious consumer concerns. The Committee felt that because of the CPA's role as advisor to the Congress and the President and proposer of action to the appropriate regulatory agencies, it ought to have some limited information-gathering ability that would be compatible with our existing regulatory system. The Committee solution was to authorize the CPA to request regulatory agencies to issue interrogatories, if they had the authority to do so. If an agency does not have authority to issue the interrogatory requested by the CPA, it will not be able to do so under the committee bill. The CPA would have to make a showing as to why the interrogatory was necessary. The regulatory agency could refuse to send the interrogatory if it felt the CPA has not made a good case for the interrogatory, or if it felt it would be unnecessarily burdensome to the Federal agency or the persons to whom the interrogatory was addressed. The Committee bill provides, therefore, a carefully-prescribed right to gather information. I understand an amendment will be offered which would disallow any such information-gathering. Such an amendment is undesirable in view of the carefully-prescribed language in the bill, which adds nothing to in any way broaden the scope of Federal information-gathering authority which Congress has already authorized by statute for specific existing agencies.

NATURALIZED CITIZENS SEEKING OFFICE

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. BINGHAM. Mr. Speaker, on January 28, I introduced House Joint Resolution 880 which would amend the Constitution to enable all citizens of the United States to be eligible to hold the office of the President.

I was pleased to learn that the Legislature of Rockland County, N.Y. has overwhelmingly adopted a resolution declaring their support for this amendment.

The resolution, which I have formally introduced for referral to the Committee on the Judiciary, follows:

RESOLUTION No. 224 OF 1974

Memorializing the House of Representatives concerning naturalized citizens seeking office

Whereas, it is in the public interest that naturalized citizens be permitted to run for the office of President and Vice President of the United States, and

Whereas, Congressman Bingham has introduced such legislation in the United States House of Representatives, now therefore be it

Resolved, That the Legislature of Rockland County hereby memorializes the United States House of Representatives to give favorable consideration in support of the constitutional amendment introduced by Congressman Bingham that would allow naturalized citizens to run for the office of Presi-

dent and Vice President of the United States, and be it further

Resolved, That the Clerk to the Legislature be and she is hereby directed to send a copy of this resolution to the President and Vice-President of the United States, the United States Senators representing the State of New York, and to the appropriate members of the House of Representatives from districts which incorporate parts of Rockland County in their districts, urging each of the above to take whatever action may be necessary and appropriate to support the constitutional amendment that would allow naturalized citizens to run for the office of President and Vice-President of the United States.

EXTENSION OF OEO WITHIN DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. ESCH. Mr. Speaker, today I join with my colleagues, the Honorable PHILIP RUPPE and the Honorable GARRY BROWN in introducing legislation designed to preserve and extend the Office of Economic Opportunity within the Department of Health, Education, and Welfare.

Our bill would extend existing OEO programs for 3 more fiscal years, but would transfer responsibility for operating these programs out of the Office of the President and into an office under the supervision of an Assistant Secretary.

It is time to recognize that whether OEO remains a separate agency, there continues to be a pressing need for a single office to monitor, operate, and direct Federal assistance to the poor and disadvantaged, be it in HEW or elsewhere.

The programs of OEO have matured from the crisis ridden days of the 1960's to provide what is now one of the few major vehicles for involvement of the disadvantaged in helping themselves. While Congress is not in complete agreement over the effectiveness of all OEO programs, the transfer would allow an orderly review over the next 3 fiscal years.

Our bill extends for 3 years, urban and rural community action programs, day care projects, community economic development and other poverty programs.

We have long believed that OEO must be reformed—not abolished—and that OEO has become a vital tool in helping the poor to help themselves.

Community action agencies have played an important role in assisting development of urban and rural America.

Poverty remains one of the greatest social ills of our Nation and it exists primarily in the urban centers and rural areas. I know that in our districts OEO-supported CAP agencies are working effectively in funding and building better communities. Whether it be services to senior citizens, health programs, providing jobs or helping to develop housing and other public facilities, CAP's have been effective mechanisms of Federal assistance in Michigan.

April 2, 1974

Presently, the OEO subcommittee of the Education and Labor Committee is considering the fate of OEO. We would urge the Members to carefully consider our proposal, which we believe is the most logical way to insure a continued Federal focus on the problems of the disadvantaged.

U.N. ADDS TWO LANGUAGES

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. DELANEY. Mr. Speaker, I insert into the CONGRESSIONAL RECORD a very interesting article written by Mr. Don Shannon of the Los Angeles Times, which discusses a recent decision by the United Nations to expand to six the number of working languages to be used by this world organization.

The key points made by Mr. Shannon focus on the cost factors involved to accommodate each new working language, the need for more interpreters and the increased workload necessary to translate and process each language. This leads up to the question of how long the United Nations can function efficiently and economically if further working languages are permitted. The full text follows, and I trust my colleagues will find the article enlightening reading:

Two ADDITIONAL LANGUAGES To Cost U.N. MILLIONS

EXPANDED USE OF CHINESE AND ARABIC THREATENS TOWER OF BABEL ON EAST RIVER

(By Don Shannon)

UNITED NATIONS.—A 38-story Tower of Babel is threatening to become a reality here with the United Nations about to make Chinese a full working language and Arab nations demanding that Arabic be made the sixth working language of the world organization.

Even with a moderate start in the next two years, the expanded use of Chinese will add \$1 million to the two-year budget period 1974-75. The addition of Arabic would cost more, because the program would be starting from scratch.

The changes will also require physical alterations in the General Assembly, the Security Council, and the meeting rooms of the headquarters building, which have provided simultaneous translation for a maximum of five languages and now must accommodate a sixth. In practice, there were rarely more than four sets of interpreters working in the United Nations during the first 25 years because the Nationalist Chinese delegations, here until 1971, usually spoke English to lighten the economic burden on the Secretariat.

With the arrival of Peking's representatives, the practice came to an abrupt end and all their speeches have been delivered in Chinese. The unaccustomed workload put a strain on the staff of 13 interpreters, whose number has been nearly doubled since. Even recently, however, there have been awkward gaps in the Security Council debates when a relief interpreter failed to appear on time.

The Advisory Committee on Budgetary Questions estimated that the full use of Chinese in the coming two years would require the United Nations to print 18,000 pages of translations instead of the token amounts now published. To do this would

mean the hiring of 84 Chinese-language experts beyond those now on the payroll and 16 temporary employees during the annual General Assembly sessions.

Secretary General Kurt Waldheim suggested a "more cautious and pragmatic approach," aiming at only 8,000 pages of translations a year for the first stage, a goal which could be met with recruitment of 39 full-time employees and eight temporary ones.

Qualified interpreters and translators are hard to find, however, and the secretary general predicted that even the reduced number of jobs would not be filled during the first year. The heightened activity will mean additional high-priced office space in mid-Manhattan because the 38-floor Secretariat building long ago ran out of room. But by far the greatest item will be salaries, more than 80% of the \$1,050,000 estimate.

No budget calculations are available for the addition of Arabic to the working languages. This would call for changes ranging from an additional interpreters' booth in the Assembly hall, the Council, and a dozen meeting rooms to the modification of all the individual listening equipment. Seats for delegates, the press and the public—about 7,100 in all—are wired to receive simultaneous interpretation of only five languages—English, French, Spanish, Russian, and Chinese—at present.

At least 18 interpreters would be needed to get Arabic started, and the addition would call for increases in the five existing language sections as well. Here is where the problems arise—English-Arabic or even English-French-Arabic speakers may be relatively numerous in the United States, but Arabic speakers capable of simultaneous interpretation of Chinese or Russian are a rarity.

A question that already has been raised—the elevation of other languages to official status—is what arouses the fear of an eventual glass Tower of Babel on New York's East River.

Arabic won its support largely on the grounds that it is spoken by 18 member states, but their total population is only 120 million, and their various dialects differ considerably. Economically and culturally more significant, German is spoken by three member states with a population of 85 million, while Portuguese is spoken by more than 100 million in two nations. Cases could be made for other tongues but even the addition of one more would involve a geometric progression in the work and the cost of keeping the United Nations going.

A TRIBUTE TO THE HONORABLE WILLIAM S. MAILLIARD

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1974

Mr. MURPHY of New York. Mr. Speaker, may I take this opportunity to say a few words in tribute to our distinguished colleague, the Honorable William S. Mailliard, who is leaving us to become the permanent representative of the United States to the Organization of American States.

Bill Mailliard and I have served together for 12 years on the Merchant Marine and Fisheries Committee. His broad expertise and grasp of maritime matters and foreign affairs has been evident to all of us. His counsel and advice have been invaluable, not only to his colleagues, but to me in particular.

EXTENSIONS OF REMARKS

Bill Mailliard has served this country his State, and his district in the House of Representatives for 21 years. Prior to that he had already completed a distinguished career as a naval officer, during which he held positions of high responsibility and was decorated for valor. In this service he established an interest and a competence which he carried into the Reserves where he obtained flag rank. As is characteristic of this energetic and dedicated public servant, he now goes on to further service of importance to the Nation in the field of foreign service.

Reluctantly his colleagues see this distinguished American leave the House. We wish him the best of luck as the U.S. permanent representative to the Organization of American States.

THE IMPORTANCE OF LIBRARIES IN AMERICAN LIFE

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. BRADEMAS. Mr. Speaker, the March 1974 edition of Parents' magazine carries an excellent article by Dr. Jean E. Lowrie, president of the American Library Association, which describes the importance of library services in our society and the hostility of the Nixon administration to continued Federal support for libraries.

As Dr. Lowrie writes:

Since the time of President Eisenhower, the Federal government has recognized its responsibility, along with the state and local governments, to see that every American has access to a library. And by this support, the government has acknowledged that libraries are a national resource as well as a state and local one.

Mr. Speaker, in the fiscal 1974 Labor-HEW appropriations bill, Congress rejected President Nixon's suggestion that we terminate Federal support for our libraries, and included \$175 million for school, college, and public libraries.

The President's 1975 budget requests only \$25 million earmarked for libraries, and I am confident that Congress will, once again, reject the administration's ill-considered proposal.

But because Dr. Lowrie's comments so persuasively document the importance of Federal assistance for American libraries, I insert her article at this point in the RECORD:

YOUR PUBLIC LIBRARY NEEDS YOU: SUPPORT FEDERAL LIBRARY FUNDING

(By Dr. Jean E. Lowrie)

A public library in Georgia puts the problem one way: "We have struggled to continue our Right to Read program on our own. Now we find that we have to close it down for lack of funds. People came to our class, with its informal atmosphere, who would go to no other." A mother in Indiana writes to her Congressman about a blind son who recently learned to read "talking books" provided through the local library, but now the special library service is endangered by a proposed cut-off of federal funding. And a public school officer in Kansas says, "Our local property taxpayer is carrying a heavy burden and no end in sight . . . we need federal help to

buy materials to place in all our school libraries."

In countless instances, small grants from the federal government have made the difference to libraries, perhaps to your own neighborhood public library or bookmobile, or your children's school library.

Since the time of President Eisenhower, the federal government has recognized its responsibility, along with the state and local governments, to see that every American has access to a library. And by this support, the government has acknowledged that libraries are a national resource as well as a state and local one. Though less than five per cent of public and school library funds, on the average, come from the federal government, this small contribution often makes a dramatic difference in vital services in hundreds and even thousands of communities.

Today there are three major library programs assisted by federal funding. Under Title II of the Elementary and Secondary Education Act of 1965, federal assistance was granted to all of the 50 states for the purchase of elementary and secondary school library resources. As a result, libraries were created in thousands of schools where there had been none before, and existing library collections were updated and expanded. The Elementary and Secondary Education Act—including its school library program—has been amended, and its funding extended by Congress over the years.

An earlier statute, the Library Services and Construction Act, also better enables states, cities, towns, and counties to improve their public libraries to carry out special programs for the disadvantaged, the handicapped, and the homebound.

The third library program supported by the government under the Higher Education Act of 1965 gives assistance to public and private institutions of higher education.

From the outset, the Nixon administration has recommended major cutbacks in these national library programs, but Congress has voted to continue federal support. Last year, the Administration recommended abrupt termination of all library programs, but once again Congress voted to maintain them. The alarming question of whether federal funding will suddenly be cut off continues to plague libraries throughout the nation, however, for this Administration has an unprecedeted record of refusing to spend the money voted by Congress. It was only after the pressure of public sentiment, legal suits, and Congressional urging that the President released impounded funds this January and signed a current appropriations bill which provides some money for library programs.

Libraries cannot long survive neglect. Once their collections fall behind, the cost of updating them becomes prohibitive. Every American who values libraries should write to his legislators in Washington, D.C. thanking them for voting to continue federal library assistance despite the Administration's plan to end it. Your support voiced now, may help to guarantee the future existence and assure the high quality of your community's school and public libraries.

JAYCEES WELCOME TO CASTRO VALLEY

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. STARK. Mr. Speaker, the Jaycees of America are an organization of young men dedicated to developing leadership abilities of their membership toward

EXTENSIONS OF REMARKS

skillful decisionmaking, planning, organizing, and implementing action projects to solve community problems. Jaycees are men between the ages of 21 and 35 who are motivated in "Service to Humanity" and their record of accomplishment is testament to these young men of action.

Community involvement in all phases of city activities make the Jaycees a most valuable resource of informed and knowledgeable citizen participants. Their skill and expertise will now become activated within the Castro Valley environs.

It is my pleasure to announce that for the first time, a Jaycees chapter will be opened in Castro Valley, Calif. On April 5, there will be charter night ceremonies and installation. At this time, I would like to pay tribute to the incoming officers of the new Jaycees of Castro Valley. The new officers are as follows: President, Bill Bland; State director, Rodman Dickson; internal vice president, Gregory Knight; external vice president, Patrick Fain; treasurer, Jon Orellana; and secretary, Norman Kellogg.

I know they will be a credit both to their new chapter and to the community they serve. I welcome the Jaycees to Castro Valley. I am proud they are my constituents and I am privileged to salute them before my colleagues today.

DAVID G. OSTERER

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. LEHMAN. Mr. Speaker, on March 21, 1974, David G. Osterer was the guest of honor at a testimonial dinner given for him by the Condominium Executive Council of Florida. It was a well-deserved honor for David G. Osterer personally, and it is also a tribute to him as an outstanding symbol of those who well earned their retirement but have without compensation and often without public recognition worked long hours effectively to make south Florida a better community for all of us.

Testimonial follows:

OUR FRIEND DAVID G. OSTERER

While other men content themselves to spend their days playing golf and sunning at the pool, David Osterer has dedicated his time and energy to us and our problems. His unselfish dedication to fair play and the protection of common as well as human rights has made Arlen a better place to live.

Whether alone or in Committee, he has constantly protected the rights of each condominium owner.

Undaunted by barrages of attorneys and not so subtle innuendos, David's vision broke the legal quagmire of resistance and brought a new concept to Florida, a concept of fair play and ethics.

No longer was a condominium owner at the mercy of the developer or his agents. There was a voice to protect him. David's efforts were instrumental in producing a contract that was a model and example to be followed.

His history reveals that wherever there was a mountain to climb, an injustice to be

fought, a human need, a hopeless cause to be championed, no matter how great the odds, David Osterer was there.

What prompts such a man to spend his life representing his fellow man, seeking the redress of their grievances, volunteering his time to protect the rights of others—interceding on behalf of those with only a small voice, and demanding they be heard—magnifying their ideas, presenting a forum for their needs?

What makes a man fight unceasingly for human dignity? What makes him a staunch advocate of democratic principles undaunted by pressure groups and ineptitude? What makes him seek the spirit of cooperation and understanding for his fellow man?

Perhaps, it can be most clearly understood by David's own words, "The volunteers of our country are the backbone of a free democratic society. Volunteers seek out and understand problems long before legislative correction. Volunteers are always in the vanguard of progress, social, as well as, political. They are the conscience of America. Without the free spirit of volunteers, a bureaucracy, or even worse, a dictatorship would ensue".

To volunteer, to serve unselfishly on the behalf of others, to be dedicated to the relief of human grievances, to seek ethical approaches to the solving of common problems; these are the achievements of David Osterer.

All this, David, you have done. Thank you.

YOUR FRIENDS AT ARLEN.

SOME NOTES ABOUT . . . DAVID G. OSTERER

David G. Osterer is a man of dynamic energy and social foresight as well as academic distinction—his Honorary Doctor of Humanities (L.H.D.) comes from Philathea College, Ontario—so that one finds it hard to paint a brief word-portrait that will do justice to someone with so broad a spectrum of social interests and humanitarian activities.

Originally, he was a businessman and, prior to his retirement, Dave had served as President of New Rochelle Precision Grinding Corporation and as Chairman, (now retired), and Founder of the Induction Heating Corporation and, also, as Founder and Chairman of the Board, (now retired), of the A.M.F. Thermatool Corporation.

Dave has become known as a man who is always ready to exert himself for a worthy cause and to donate his time, his energy, his knowledge, and, above all, his concern, to helping those less fortunate than himself. These qualities have been helpful in such positions as the Board of Directors of Harrison Community Synagogue, the Board of the National Conference of Christians and Jews, and the Board of St. Agnes Hospital Association. He has also served as President of the United Cerebral Palsy Association of Westchester County, New York, from 1958 to 1970. Dave is also active in lodge work, being 32nd degree Mason and Shriner (Mecca Temple) and a holder of the Eloy Alfaro Grand Cross and Diploma (T.C.E.A.).

Dave also served on the Youth Services Advisory Board of Westchester County. It is no wonder that the B'nai B'rith awarded him the coveted Human Rights Award in 1965 along with Mr. Roy Wilkins.

Dave Osterer has always been a friend in need and in deed, not only to those who could reciprocate his generosity, but to those who could not, and were never even aware that it was he who had made their lives a little brighter and happier. This is especially true of his tireless efforts to better the lives of the handicapped. To them, he is a very special friend, and they know him on an intimate and special basis. His 15 years of devoted service were recognized by his receipt of the Jimmy Vejar Memorial Award given by the Westchester County Cerebral Palsy Association.

Having now seen his long career in the commercial, fraternal, philanthropic and other areas, (he is now also Executive Presi-

April 2, 1974

dent of the Condominium Executive Council of Florida), crowned by this newest award to add luster to that long line before, he would probably tend to agree with that philosopher who once said, "that the noblest honor and highest award a man can ever win is the knowledge held deep within him that he has been of service to his fellow man."

ANTIBUSING AMENDMENT

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. HANRAHAN. Mr. Speaker, I wish to take this opportunity to indicate my strong support for Congressman ASHBROOK's antibusing amendment which was successfully added to the Elementary and Secondary Education Act, H.R. 69, by the House on March 27, 1974, by a vote of 239 to 168. If I had been present, I would have voted for this amendment.

I have long felt busing to achieve racial integration is an ineffective and disruptive method which can destroy the sound concept that made this Nation's elementary and secondary education system great, the neighborhood school system. Studies have indicated that busing has, at best, only a marginal impact on improving the educational opportunities for children. Equally important is the obvious safety disadvantages of continually busing children over long distances.

As a result of my firm conviction that busing for racial integration is a waste of the taxpayers' money, I have signed discharge petitions circulated by both Congresswoman GREEN and Congressman BEARD which would allow the House of Representatives to act on House Joint Resolution 95, the antibusing proposed constitutional amendment.

Only the fact that I had pledged my word I would make an important speaking engagement, prevented me from voting for the Ashbrook amendment. I wish the record to be made very clear as to my position on the important subject of busing for racial balance.

POW-MIA MEMORIAL TO BE
DEDICATED APRIL 6

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. BURKE of Massachusetts. Mr. Speaker, I was personally very gratified to hear recently that the Freedoms Foundation at Valley Forge, Pa., will be dedicating the POW-MIA Memorial on April 6, 1974. It was very heartwarming to learn that this historic monument to the brave Americans who fought in the Vietnam conflict has been cast from over 7,000 POW-MIA bracelets which were presented for this purpose by those who wore them during the long years of this conflict. Indeed, the sacrifices of these American soldiers for the ideal of individual liberty shall not be allowed to fade from the mind of American man.

I urge my colleagues to stop and reflect for a minute on the sacrifices these Americans have made.

The following is the announcement of the tribute to our MIA's and POW's:

General Harold K. Johnson, United States Army, Retired, President, Freedoms Foundation at Valley Forge; The Board of Directors; The Council of Trustees; cordially invite you to attend a Ceremony Dedicating The Prisoner of War and Missing in Action Memorial, which has been cast from over 7,000 POW-MIA Bracelets Presented By Their Former Wearers During the Vietnam Conflict and the dedications in the Medal of Honor Grove of The Massachusetts Area and The Alaska Area; Saturday afternoon, the sixth of April, at one thirty o'clock, at Freedoms Foundation at Valley Forge, Valley Forge, Pennsylvania.

You may bring guests. In the event of inclement weather, all three dedications will be conducted in the Main Foyer, Martha Washington Building.

EXTENSIONS OF REMARKS

gency number, but the telephone was dead, a malfunction that police later speculated might have been caused when a line was severed by the flames downstairs.

Irving grabbed a licensed .38-caliber pistol he keeps in the apartment for protection. He said he went to the door and shouted to find out who was there, but he got no response and the pounding kept up.

The firemen claimed they heard no shouts before shots rang out and three bullets ripped through the door—one bouncing off Crosby's chest without penetrating his rubber coat, the second whizzing past Bernard's head, and the third dropping to the floor where Thomasian had fallen to his knees.

Other firemen meanwhile had managed to control the fire from below; police came and took Irving into custody.

The firemen were treated at St. Luke's Hospital, Crosby for a slight chest bruise, Bernard for ringing in his ears and Thomasian for bruises of his knees.

Fire officials said the door's thickness had slowed down the bullets and saved the men from more serious injury.

At the W. 123d St. station, Irving was charged with reckless endangerment—a misdemeanor—but he was not held. Instead, he was given a "desk ticket" for a later appearance in court and allowed to go home.

A policeman who answered the phone put it simply:

"What can you do to a 76-year-old guy who thinks he's defending his home?"

BAN THE HANDGUN—XXXVIII

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. BINGHAM. Mr. Speaker, many people living in high crime areas believe possession of a handgun will protect them against crime. Rarely is this so. Much more frequently, the gun ends up killing or injuring its owner, a family member, a friend, or a well-meaning stranger. In the case recounted below, three firemen barely escaped with their lives when an elderly man, thinking they were robbers, fired at them through his front door. The story appeared in the March 28 edition of the New York Post:

THOUGHT THEY WERE BURGLARS: HE SHOOTS AT FIREMEN

(By Cy Egan)

It was one of those near tragedies bound to happen in a city where many citizens live in fear of crime.

At 1:30 this morning, John J. Irving, a 76-year-old real estate broker, awoke in the secondfloor apartment where he lives alone at 1809 Seventh Av., between 110th and 111th Sts., and heard terrific pounding on the door.

Irving says he was sure burglars were trying to break in because the apartment had been looted twice in recent months, and early last night police had come to the six-story building to search for a prowler in the basement.

The elderly man said he was unaware there was a fire in the building and that the pounding was by three firemen trying to enter to fight flames creeping upward from a blaze that had started in garbage at the bottom of a dumbwaiter shaft.

The firemen—Dennis Crosby, Francis Bernard and John Thomasian—said they had shouted and rung the doorbell to no avail and then had removed two cylinder locks from the door with a special tool only to discover that it was bolted from the inside. They heaved their bodies against the heavy metal panel in an effort to force it in.

The frightened broker said he didn't hear the shouts or the doorbell—only the pounding.

He said he went to dial the police emer-

gencies number, but the telephone was dead, a malfunction that police later speculated might have been caused when a line was severed by the flames downstairs.

Yesterday, I inserted into the RECORD this series of letters but one important letter to the Department of Defense was inadvertently left out and therefore I am reinserting the correspondence.

The letters follow:

HOUSE OF REPRESENTATIVES,

Washington, D.C., November 20, 1973.

Hon. JAMES R. SCHLESINGER,

Secretary, Department of Defense,

Washington, D.C.

DEAR MR. SECRETARY: In the Subcommittee on the Near East and South Asia's ongoing hearings on the October Middle East war and its aftermath, we want to explore the reasons for the United States alert of October 24, 1973 and its implications. To that end, we would like to have your comments in open session testimony or in letter form because you were present during the meetings leading up to the alert.

Specifically, we are interested in three problem areas. First, we would like your description of the step-by-step decision-making process leading to the implementation of the alert, including a description of how, when and by whom the alert was effected. Second, we would like to know why you felt the particular type of alert that was instituted was, in fact, necessary. And, third, we would like to know more about the demands and performance of the Soviet Union during the events leading up to our move.

I would appreciate an early response to this inquiry.

Sincerely,

LEE H. HAMILTON,

Chairman, Subcommittee on Near East and South Asia, Washington, D.C.

WASHINGTON, D.C., January 23, 1974.

Hon. LEE H. HAMILTON,

Chairman, Subcommittee on Near East and South Asia, Washington, D.C.

DEAR MR. CHAIRMAN: Secretary Schlesinger has asked me to reply to your letter of November 20, 1973, in which you inquired about the US military alert of October 24. We have conducted extensive research to determine whether additional information is available over that provided by Secretary Schlesinger during his news conference on October 26, 1973. The only additional information was provided by Secretary Kissinger through various public statements. Answers to your specific questions follow; however, a copy of Secretary Schlesinger's news conference report is attached for more detailed information if desired.

The first of your specific questions refers to implementation of the alert and the process by which decisions regarding the alert were taken. An abbreviated meeting of the National Security Council, chaired by Dr. Kissinger, was held at about 11 p.m. on the night of 21 October 1973. Secretary Schlesinger, Mr. Colby and Admiral Moorer attended. The decision to notify the commands of an enhanced readiness condition was made by Secretary Schlesinger at about 11:30 p.m. and he instructed Admiral Moorer, left the White House about 2 a.m. and returned to the Pentagon to take further action on a series of decisions made during the meeting. The President was in complete command during the course of the evening and approved the entire package about 3 a.m. the morning of October 22.

You also ask why the particular type of alert that was chosen was, in fact, necessary and what actions and demands of the Soviet Union prompted that conclusion. There were a number of indicators that led us to believe the Soviet Union was putting itself in a position to move troops into the Middle East. This was in addition to the Soviet buildup of naval forces in the Mediterranean, associated with the possibility of actions tak-

THE OCTOBER 24, 1973, ALERT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. HAMILTON. Mr. Speaker, on Wednesday, the Committee on Foreign Affairs will be considering a resolution of inquiry introduced last week by Congressmen MICHAEL HARRINGTON and PETE STARK. This resolution seeks to obtain documents related to the October 24, 1973, alert which occurred during the later stages of the October Middle East war which followed what the Defense Department called "a number of indicators that led us to believe the Soviet Union was putting itself in a position to move troops into the Middle East."

In correspondence with the CIA, the State Department, and the Defense Department over the last 5 months, I have been seeking unclassified information relating to the evidence on which the alert was instituted; who made the decisions and who attended the meetings leading up to the alert; the exact tone and content of the various Soviet notes delivered to the United States during the tense moments of that day; and why a precautionary measure of a Defense condition—Defcon—3 was necessary.

The correspondence which follows is incomplete, but these letters do indicate that many important questions still need to be answered for the public record.

Mr. Speaker, because of the confusion and seeming contradictory statements that exist concerning the events of October 24, the State and Defense Departments should be more open with the American people and state precisely what happened that evening and exactly what

EXTENSIONS OF REMARKS

ing place that might have involved US Naval forces. The Soviets had comprehensively alerted their airborne forces. Soviet airlift, required to move these forces, stood down from previously high activity. The standing down, along with the alerting of airborne forces, plus certain ambiguous developments which Dr. Kissinger has referred to, suggested the possibility of a movement that was unilateral on the part of the Soviet Union and we took the normal precaution of adjusting our Defense condition (DEFCON) status. We chose DEFCON 3, an intermediate condition, as a precautionary measure. The DEFCONs range from the lowest, DEFCON 5, to the highest alert, DEFCON 1. We chose DEFCON 3 as the minimum or lowest degree of readiness required under the circumstances by most of the forces involved.

Regarding your last question, I would not feel it appropriate for me to comment on US-Soviet diplomatic communications which are really a prerogative of Dr. Kissinger.

I hope this information is helpful to you.

Sincerely,

JAMES H. NOYES,
Deputy Assistant Secretary, Near
Eastern, African and South Asian Affairs.

Letter No. 3

WASHINGTON, D.C., February 20, 1974.

MR. JAMES H. NOYES,
Deputy Assistant Secretary of Defense, Near
Eastern, African and South Asian Affairs,
Washington, D.C.

DEAR MR. NOYES: Thank you for your letter of January 23, 1974 in response to my letter of November 20, 1973 to Secretary Schlesinger concerning the October 24th grade 3 alert of United States Armed Forces during the Middle East conflict.

Your letter raises several questions which need clarification. I would like answers to the following queries:

1. You state that "the President approved the entire package about 3 a.m. the morning of October 22." Do you mean October 22 or October 25? Did the President approve separately the 11:30 p.m. October 24 move made by Secretary Schlesinger to "notify the commands of an enhanced readiness condition"?

2. You mention that "there were a number of indicators that led us to believe that the Soviet Union was putting itself in a position to move troops into the Middle East." What were each of those indicators? How many troops did we estimate that might be involved? On what basis did we make that estimate?

3. You also mention the "Soviet buildup of naval forces in the Mediterranean." When did this buildup occur? How many more ships above the 1973 average were involved and what types of ships were they? Where were these ships headed? Did we have any knowledge or firm intelligence that any of the ships had nuclear weapons aboard, and, if so, how many ships had them, and what types were they? Did any ships that were known to be in Egyptian ports prior to the war, to our knowledge, have nuclear weapons aboard?

4. You state that the naval buildup could be "associated with the possibility of actions taking place that might have involved U.S. naval forces." Where were our naval forces? Why might action have occurred and on what basis do you make that assertion? What were we protecting or blockading? What was the proximity of our ships to the Soviet Union ships?

5. You state the "Soviets had comprehensively alerted their airborne forces". How many airborne units were involved? How many had been already alerted in the earlier days of the October war?

6. You state that "the Soviet airlift stood down from previously high activity". What precisely does that mean? What was the daily

average of airlifts to Egypt and Syria for each day from October 13th until October 25th?

7. You indicate that all these factors suggested "the possibility of a movement that was unilateral on the part of the Soviet Union." Was this possibility suggested because we refused to go along with the Soviets in trying to enforce or implement the October 22nd ceasefire? Why weren't we more forceful in getting the end to the fighting between October 22 and October 25th? On what evidence and basis was the possibility of unilateral Soviet intervention suggested? Why was the Defense Department acting on the "worst possible scenario" that the evidence might have suggested? Why is not a plausible interpretation to say that the United States was "using a sledge hammer to crack a nut"?

I would appreciate your early consideration of these questions.

With best regards.

Sincerely yours,
LEE H. HAMILTON,
Chairman, Subcommittee on the
Near East and South Asia.

WASHINGTON, D.C., March 8, 1974.

HON. LEE H. HAMILTON,
Chairman, Subcommittee on the Near East
and South Asia, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of February 20 seeking further information concerning the October alert of U.S. armed forces during the Middle East conflict. I am replying on behalf of Mr. Noyes who is out of the city at the moment. He has, however, approved the substance of this letter. The comments and answers below are keyed to your numbered questions.

1. You are right, of course, concerning the date of the alert. It was October 25th, not the 22nd. We regret any confusion caused by this typographical error. As we have already said, the President was in complete command during the course of the evening, and he clearly approved the order given by Secretary Schlesinger on the night of October 24th.

2-6. Your requests covered in questions 2 through 6 involve data which we can provide on a classified basis. As to your question concerning the standing down of the Soviet airlift, the meaning is simply that this airlift which had previously been engaged in moving large quantities of cargo to Egypt and Syria suddenly stopped moving cargo; this sudden stand down or halt could well have meant that the airlift was being prepared for a shift to a troop-lift operation, particularly in view of the fact that Soviet airborne units had been alerted and some ambiguous diplomatic representations had been made which opened the possibility of unilateral Soviet military involvement in the Middle East.

These factors also apply, of course, to your question 7. Under the circumstances, the U.S. acted with firmness. The indications were strong and to have acted otherwise would have been most imprudent, in our judgment. The interpretation you have suggested—"using a sledge hammer to crack a nut"—is not plausible because, as the course of events demonstrated, (1) U.S. handling of the situation worked and we have built from those decisive hours on into a highly constructive relationship in the area with all parties involved—Soviets, Egyptians, Israelis, the Syrians, and others, and (2) the evidence at the time as well as historical analysis of Soviet behavior does not suggest that the U.S. response was disproportionate to the challenge. On the contrary, U.S. decisiveness and resolve probably prevented a development, at worst, seriously endangering world peace and, at least, heavily complicating any prospects for the kind of constructive evolution in the Middle East which the U.S. now leads.

I hope that the above comments, while not complete answers to all of your questions, will be of assistance. In the meantime, we are

gathering classified data to reply to the remainder of your questions and will make arrangements to deliver these materials to you in the next few days.

Sincerely,

GLENN E. BLITGEN,
Acting Director,
Near East & South Asia Region.

WASHINGTON, D.C., November 5, 1973.

HON. HENRY A. KISSINGER,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: During your press conference on October 25 you indicated that, within one week, you would be able to put before the American people the facts relating to the United States alert of October 24, 1973. To my knowledge, no such statement relaying the pertinent facts has appeared.

In the Subcommittee on the Near East and South Asia's ongoing hearings on the October Middle East war and its aftermath, we want to explore the alert and its implications. To that end, we would like to have your comments in open session testimony, and if you cannot appear, we would like to have the testimony of someone else who was present during the meetings leading up to the alert.

Specifically, we are interested in four problem areas. First, we would like a description of the step-by-step decision-making process leading to the implementation of the alert. Second, we would like to know why the particular type of alert that was instituted was, in fact, necessary. Third, we would like to know more about the demands and performance of the Soviet Union during the events leading up to our move. And, finally, we would like your assessment of the implications of this Soviet-American crisis on our bilateral relations, on the stability of Soviet leadership and on reducing world tensions through the elimination of resort to confrontation politics.

I would appreciate an early response to this inquiry.

Sincerely,

LEE H. HAMILTON,
Chairman, Subcommittee on Near East
and South Asia.

DEPARTMENT OF STATE,

Washington, D.C., November 27, 1973.
HON. LEE H. HAMILTON,
Chairman, Subcommittee on Near East and
South Asia, House of Representatives.

DEAR MR. CHAIRMAN: The Secretary has asked me to reply to your letter of November 15 concerning his October 25 press conference comments about making available the facts which led up to the President's decision to place U.S. forces on alert on October 24, 1973.

Since the date of your letter, the Secretary has addressed that question in a press conference on November 21. He explained then that, because we are now moving towards peace negotiations, which we expect to conduct with the cooperation of the Soviet Union, he did not believe any useful purpose would be served if the United States recited confidential communications that had taken place, and tried to recreate an episode of confrontation that hopefully has been transcended.

We are now making steady progress in achieving a consensus among the parties to convene a peace conference in mid-December, which would be under U.S.-Soviet co-chairmanship. The Secretary therefore remains strongly of the opinion that it would serve no useful purpose at this time to review the events leading up to the alert. The full facts, and full considerations leading to the President's decision, will be made public at the appropriate time.

In the meantime, the Secretary has asked me to assure you that he looks forward to a thorough discussion of the entire Middle

April 2, 1974

9443

East situation at his executive session meeting with the Foreign Affairs Committee on Wednesday.

Sincerely,

MARSHALL WRIGHT,
Assistant Secretary for Congressional
Relations.

WASHINGTON, D.C., November 20, 1973.

Hon. WILLIAM E. COLBY,
Director,
Central Intelligence Agency,
Washington, D.C.

DEAR MR. COLBY: In the Subcommittee on the Near East and South Asia's ongoing hearings on the October Middle East war and its aftermath, we want to explore the reasons for the United States alert of October 24, 1973 and its implications. To that end, we would like to have your comments in open session testimony or in letter form because you were present during the meetings leading up to the alert.

Specifically, we are interested in three problem areas. First, we would like your description of the step-by-step decision-making process leading to the implementation of the alert, including how, when and by whom the alert was effected. Second, we would like to know why the particular type of alert that was instituted was, in fact, necessary. And, third, we would like to know more about the demands and performance of the Soviet Union during the events leading up to our move.

I would appreciate an early response to this inquiry.

Sincerely,

LEE H. HAMILTON,
Chairman,
Subcommittee on Near East and South Asia.

CENTRAL INTELLIGENCE AGENCY,
Washington, D.C., November 29, 1973.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Near East and
South Asia, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of 20 November 1973 requesting my comments, in open session, or in letter form, on the reasons for the United States alert of 24 October 1973 and its implications.

As you know, I have always responded to requests from the Chairman of the Foreign Affairs Committee that I appear in executive session to testify on matters within the Agency's competence and the Committee's purview. So far as the alert about which you inquire is concerned, the Agency's role was limited mainly to providing intelligence information. This information was based primarily on sensitive sources and methods and, therefore, is not suitable for discussion in open session.

The decisions, and the specific steps, leading to the implementation of the alert were not within the responsibility of this Agency, and, hence, I am in no position to comment on them.

Sincerely,

W. E. COLBY,
Director.

WILLIAM S. MAILLIARD

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1974

Mr. WHALEN. Mr. Speaker, my first opportunity to work directly with the distinguished gentleman from California, Mr. Mailliard, came when I was appointed to the House Foreign Affairs Committee 2½ years ago. From the beginning, I was pleased to learn that Bill

EXTENSIONS OF REMARKS

always was more than willing to give a hearing to views that undoubtedly would be contrary to his own. I feel very fortunate to have served with Bill, and I want him to know how much his even-handed dealings with other minority members and his innumerable courtesies shown to us are greatly appreciated.

Bill now leaves the House of Representatives following 22 years of service to the people of California and to the Nation. He becomes the Permanent Representative of the United States to the Organization of American States, a position for which he is extremely well qualified. I join my House colleagues in congratulating Bill on his congressional accomplishments and in wishing him continued success as he enters the diplomatic ranks.

DEDICATED HELP FOR KIDNEY FOUNDATION

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. ESCH. Mr. Speaker, too often the efforts of citizens dedicated to helping the less fortunate go unnoticed. I rise to accord deserved recognition to Mrs. Bette Guilds of Plymouth, Mich., and her associates who have given so much of their time to aid the Kidney Foundation of Michigan.

Mrs. Guilds, with help from Mr. and Mrs. David Caswell and Mr. and Mrs. George Ball of Garden City and Mr. and Mrs. Don Chartrands of Livonia, is working hard to raise money for the Kidney Foundation through her camping organization called Go-For-Resters.

The following article from the Livonia, Mich., Observer and Eccentric explains the program which I hope will be of interest to many of my colleagues:

FOR KIDNEY MACHINE: CAMPING PATCHES HAVE A MISSION

Kidney patches sold to aid the Kidney Foundation of Michigan are the bag of members of the Go-For-Resters camping organization.

Its members in Garden City, Westland, Livonia and Plymouth are preparing hundreds of arm patches to sell to the 10,000 campers who attend the spring roundup of the National Campers and Hikers Association. Patches cost 60 cents apiece.

Chairman of the patch drive for the Go-For-Resters, a local chapter of this camping organization, is Mrs. Bette Guilds, 43220 Devon Lane, Plymouth.

Her assistants are Mr. and Mrs. David Caswell and Mr. and Mrs. George Ball of Garden City and Mr. and Mrs. Don Chartrands of Livonia.

Mrs. Guilds became interested in the problem of kidney disease while a patient some time ago in Wayne County Hospital. Although the disease was not her problem, she became aware of it through the daily visits of a neighbor who worked there as a nurse.

Not long after her recovery, she suggested the "adoption" of the Kidney Foundation of Michigan as its charity by the Go-for-Resters, an organization of which she is an enthusiastic member. She also helped design the red and white patch they now sell.

Perhaps those who enjoy traveling to re-

mote areas were particularly impressed by the foundation's effort to bring kidney machines closer to patients who formerly had to travel hundreds of miles weekly to reach hospitals with the equipment needed to prolong their lives.

In order to survive, those whose kidneys have failed must have treatments three times a week to cleanse their blood. These treatments must continue the rest of their lives, or until matching kidney donors are found for transplantation.

At a cost of \$3,000, the Go-For-Resters have already purchased one machine and are working to raise money for a second.

One such machine is based at Little Traverse Hospital, Burns clinic, in Petoskey. This mobile kidney center travels to Grayling and Traverse City, some 70 miles away, and to Sault Ste. Marie on the northern border of U.S.

At each location it parks near a hospital to connect into the building's electric and plumbing systems and to be close to a doctor in case of emergency.

Thirty minutes after the vehicle has been parked, two machines in the mobile center begin a three to four-hour process of cleansing impurities from the bloodstreams of the first of the day's schedule of four patients.

Anyone interested in purchasing kidney patches may contact Mrs. Guilds.

REMOVE SOCIAL SECURITY EARNINGS LIMIT

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. ARCHER. Mr. Speaker, one of the major problems in our present social security law has been the earnings limitations imposed on those persons receiving social security benefits when they earn over \$2,400 a year or over the \$200-a-month limitation. These individual citizens who desire to continue leading useful and productive lives as members of the work force are penalized by having their social security benefits reduced for every dollar earned above this limitation. We should encourage, not discourage, those older citizens desiring a continuation of their productive years. This present inequity in the law should be removed by the elimination of the earnings limitation for social security recipients. An excellent article by Senator BARRY GOLDWATER advocating this position appeared in the American Association of Retired Persons News Bulletin in February 1974. The article follows:

REPEAL THE EARNINGS LIMITATION (By Senator BARRY M. GOLDWATER)

The earnings limitation of Social Security benefits should be repealed. By "earning ceiling," I mean the outrageous penalty which the law imposes on the person otherwise eligible for Social Security who earns more than \$2,400 per year. As the law now stands, an individual receiving Social Security is denied one dollar for every two dollars he earns over this \$2,400 exempt amount, until his benefits are cut off completely. The only exclusion is for persons 72 and older.

This restriction is wrong. It is wrong logically, and it is wrong morally. It is an outrage against millions of citizens who have made years of contributions out of their hard-earned salaries. It is an affront to the working man who has lived faithfully by the

EXTENSIONS OF REMARKS

best rules of the American system. Let us remember that these citizens have not been a burden on the welfare rolls. They have not been out tearing up the flag, blocking traffic, or shouting obscenities in the streets. If there are any individuals in society who should deserve the top priority attention of their government, it is these law-abiding, working persons.

I have charged that the earnings limitation is wrong morally. This is because Social Security should not be a contract to quit work. It is also wrong morally because each citizen should be able to earn an income, without unfair restrictions, to the full limit of his ability and initiative.

I further condemn the earnings ceiling as being wrong logically. This is because a person who is penalized is usually the one with the greatest need for more income than his Social Security benefits could provide. Did you know that income from investments—stocks, bonds, rentals, and so forth—is not counted in determining whose benefits shall be reduced? No, it is only the individual who continues to work who is penalized.

Here we have the utterly illogical situation where a really wealthy person might draw tens of thousands of dollars a year from his investments and still, at the same time, receive his full Social Security check. Yet the man who has worked for a salary all of his life and who might need to continue working as a matter of his economic survival cannot do so under the law without being penalized. To this, I should add that a person who does lose his Social Security benefits on account of working suffers a reduction in his disposable income larger than the amount of the benefits he is losing. This occurs because for each dollar in tax-free Social Security benefits which the person loses, he exchanges for it a shrunken dollar earned which is reduced by Federal, state and local taxes and by all the expenses incidental to his work, including ironically continued payroll contributions for the Social Security which he is not receiving.

According to the best estimates I can get from the Social Security Administration, there are at least 2.5 million Americans aged 65 to 72 or their dependents who are directly affected by the earnings ceiling. About half of these individuals earn enough so that they receive no benefits at all, and most of the rest earn enough so that their benefits are reduced. Another category of about 500,000 persons may be receiving their full benefits, but are intentionally holding their earnings down because of the limitation.

It is time this statutory shackle was removed—completely. It is true that some progress has been made in liberalizing the restriction. In 1972, for example, an amendment passed which lifted the ceiling from \$1,680 to \$2,100. This followed a motion by me to abolish the ceiling entirely, which was defeated on a voice vote. Then in June of 1973, Congress raised the ceiling higher to \$2,400. I am disappointed to report that an amendment boosting the ceiling to \$3,000 and lowering the exempt age to 70 was dropped in conference in late 1973, after originally having passed the Senate by a vote of 83 to 1.

But, even if the amendment had prevailed, it would not be enough. In my opinion, workers who have contributed from their earnings over a lifetime of work are entitled, as a matter of right, to receive benefits when they reach the annuity age. I repeat, Social Security beneficiaries are not wards of the government. They are not on relief. They are not objects of charity. They are self-respecting Americans who have paid for the benefits which they will receive in old age.

Social Security payments are not gratuities from a benevolent government. They are a repayment of our own earnings, which we have deposited in trust as a regular contri-

bution deducted from our salaries and from our employers on our behalf. This method was designed from the start as a guarantee that benefits would be paid as a matter of right, not of charity.

In fact, not too many people know this, but as the program was first reported by the Committee on Ways and Means in 1935, there was no earnings test at all. Thus, a total repeal of the test today would restore the program to its original form.

The first Advisory Council on Social Security in 1938 also described the contributory program as one in which payments would be "afforded as a matter of right." When Congress acted on the council's report by passing the Social Security Amendments of 1939, both the Ways and Means and Finance Committees reaffirmed this concept by declaring that "by granting benefits as a matter of right it preserved individual dignity."

The concept of an individual earning a right to his benefit was restated approvingly by the Advisory Councils of 1948, 1958, and 1965. Finally, we have the assurance of Dean J. Douglas Brown, who has worked with the development of the Social Security program since its beginning, that from the start it was meant that the plan should "provide benefits as a matter of right."

I propose that we make these promises a truth by repealing the earnings test entirely for all of our older citizens.

JAMES FARLEY TO RECEIVE THE
LAETARE MEDAL OF THE UNIVERSITY OF NOTRE DAME

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

MR. BRADEMAS. Mr. Speaker, I am pleased to call to the attention of Members of the House to the announcement of last week that the Honorable James A. Farley, former Postmaster General of the United States under President Franklin D. Roosevelt, has been chosen to receive the Laetare Medal for 1974, the highest honor conferred by the University of Notre Dame.

I ask unanimous consent to insert at this point in the RECORD the text of an article concerning the award to Mr. Farley.

The article, published in the March 27, 1974, issue of *The Observer*, follows:

JAMES FARLEY TO RECEIVE ND'S LAETARE MEDAL

James A. Farley, an internationally prominent Catholic layman for more than 40 years, has been chosen to receive the 1974 Laetare Medal, Notre Dame's highest honor.

The choice of Farley, Postmaster General under Roosevelt and currently honorary chairman of the Coca-Cola Export Corporation, to receive the award, given annually since 1888 to outstanding American Catholics, was announced Saturday (March 23) on campus by Fr. Hesburgh.

"In a day when the craft of politics is held in low esteem by the general public," Fr. Hesburgh said, "it is well for us to honor a man who practiced it with both integrity and affability."

Although Farley never held a high elective political office, he became a major influence in the Democratic Party in the 1930's. Born the son of an Irish brick manufacturer in Grassy Point, N.Y., in 1888, Farley completed high school and worked 15 years for Universal Gypsum Company as a bookkeeper,

company correspondent and salesman. His first foray into politics was his election as town clerk from Stony Point, N.Y., in 1911, and he moved up through various state Democratic party positions to state party chairman in 1930, the year Franklin Delano Roosevelt was re-elected governor of New York state by the unprecedented plurality of 725,000 votes.

Farley became Roosevelt's field man as the governor looked toward the 1932 Democratic presidential nomination, and no one was more effective at the traditional approach to party workers—the personal letter, the long distance call, and the handshake. The indefatigable Farley was Roosevelt's floor leader at the 1932 Democratic convention which nominated the New York governor for the presidency. After Roosevelt's election, Farley became Postmaster General in his cabinet and also national chairman of the Democratic party. He remained a mentor of the president and a familiar figure at the White House, and in August, 1936, took a leave without pay from his cabinet post to run Roosevelt's second campaign, which resulted in a landslide victory.

It was after this victory that Farley revealed himself as good a customer of the mails as an administrator of them. He sat down and dictated more than 36,000 personal letters to Democratic workers from all over the country, exhausting six secretaries in the process. Even today at 85, his trademark green signature goes at the bottom of an average of 120 letters a day, and on his birthdays some 6,000 cards and letters are received—and each is personally acknowledged.

Two other traits biographers never fail to mention are Farley's pleasant nature and his phenomenal memory for names and faces. The former quality earned him the nicknames "Gentleman Jim" and "Genial Jim," and the latter is surrounded by legends about those whom Farley met on occasions separated by several years and still recognized with an effortless first-name handshake.

Farley split with Roosevelt over the third-term issue, resigned as Postmaster General in August, 1940, and campaigned only perfunctorily for Roosevelt's third term. Just before the Democratic convention in 1944, he resigned as national party chairman to dramatize his opposition to a fourth term.

Several biographers have commented on Farley's honesty while in office. Although his Postmaster General's salary was \$15,000 he left the cabinet in debt because he insisted that a building materials firm he had started in 1929, and in which he still had a business interest, should not solicit orders where his influence would count and should reject all public business offered.

The year he left the cabinet was also the year that Farley was elected chairman of The Coca-Cola Export Corporation, and he has worked as hard as ever as the number one salesman for the soft drink company. Only after a heart attack in 1972 did he cut back from a schedule which in 1971 included 131 luncheons and 105 banquets, most of them sponsored by groups interested in foreign trade. In May of last year he was appointed honorary chairman of The Coca-Cola Export Corporation. He continues to arrive at his New York City Coca-Cola office at 9:15 a.m. each morning and walks the three blocks back to his Waldorf-Astoria apartment between 4 and 4:30 p.m. in order to rest before dinner. A widower since the death of his wife, Elizabeth, in 1955, Farley has two married daughters and a son as well as 10 grandchildren. His biography includes a long catalogue of civic, religious and fraternal activities and honors, including some two dozen honorary degrees from colleges and universities.

While Farley has had reservations about some recent directions of his party, he has retained the honorific title of "Mr. Demo-

April 2, 1974

crat." Last year, fellow Democrats honored him as part of the last hurrah to New York City's National Democratic Club building at 233 Madison Ave., which the party was leaving after almost a half century. A reporter who was present wrote, "It was a great night for Jim Farley. The honor bestowed on him was reserved in the past for Democratic presidents such as FDR, Truman and Johnson."

Farley joins a list of Laetare Medal winners which includes President John F. Kennedy (1961), Clare Boothe Luce (1957), Sargent Shriver (1968), Supreme Court Justice William J. Brennan, Jr. (1969), and Dorothy Day (1972). The medal is normally presented at Notre Dame commencement exercises, scheduled this year for May 19.

VIETNAM VETS SHOULD GET BETTER BREAK

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. LEHMAN. Mr. Speaker, we have set aside this day, March 29, to honor our 2,500,000 Vietnam veterans, and to make up to them for the hollow and empty return they were given a year ago in contrast to the nationwide attention which was focused on our 566 returning POW's.

There have been few, if any, hometown parades; no parades down Fifth Avenue like the one given to our first astronauts. With the change in the Nation's perspective of the Vietnam war has come also a change in the way many persons view our returning veterans. Not only has the veteran to deal with problems of inadequate assistance from the Federal Government, but employer suspicions about drug abuse and discrimination against the handicapped.

The President has said that:

Fulfilling the Nation's obligation to its veterans is a matter of justice and national honor.

Few would quarrel with that. But the facts are that the national obligation has not been met.

In the words of one veteran, the \$220 per month payments to cover tuition and living expenses is "starvation with honor." In the old days, a veteran got a monthly living allowance of \$75, and regardless of where he went to school, the Government paid the bill.

With costs of instruction at colleges and universities increasing substantially each year, \$220 means less and less. I have received letters and calls from constituents who are forced to drop out of school because they cannot afford to support their families and go to school at the same time. Others are receiving their checks way behind schedule.

Despite this, the Administration requested only an 8-percent increase in educational benefits, and on this day, Vietnam Veterans Day, VA Benefits Director Odell W. Vaughn appeared before a House subcommittee to say that the Administration is "unalterably opposed" to any tuition supplements.

At the same time, the Administration wants to lift the ceiling on military aid to South Vietnam by \$474 million to \$1.6

EXTENSIONS OF REMARKS

billion. U.S. aid to South Vietnam, even without this increase, will reach almost \$2 billion in fiscal year 1974.

In not-so-subtle terms, the Administration is sending the message that President Thieu is higher on the list of priorities than the young Americans who fought there.

Mr. Speaker, I insert in the RECORD an article from the September 4, 1973, Washington Post which summarizes the report made by the Educational Testing Service on educational benefits for Vietnam veterans:

[From The Washington Post, Sept. 4, 1973]

VIET VETS SAID TO GET LESS AID

(By Tim O'Brien)

A study by the Educational Testing Service for the Veterans' Administration has concluded that the World War II GI Bill provided greater educational benefits for returning war veterans than does the current legislation.

This conclusion comes after repeated VA efforts to promote the present GI Bill as equal to its World War II predecessor.

The study, for which the VA contracted after being ordered to do so by Congress last year, said: "In general, the 'real value' of the educational allowance available to veterans of World War II was greater than the current allowance being paid to veterans of the Vietnam conflict, when adjustments are made for the payment of tuition, fees, books and supplies."

"When educational allowances for the Vietnam veteran are adjusted for the average tuition, fees, books and supplies at a four-year public institution, the benefits remaining are insufficient to meet the veteran's estimated living expenses," the study said.

Taking into account the greatly increased costs of living and education since the late 1940s, the study said, "the World War II veteran was generally better off."

The VA has consistently maintained that the 1972 GI Bill is as good as, and in some ways surpasses, the World War II legislation. In a letter to The New York Times in March, VA Administrator Donald E. Johnson said the "present single veteran allowance of \$1,980 for a school year is nearly three times the World War II allowance and gives most veterans more monetary assistance than after World War II, even allowing for inflation and increased school costs."

VA officials are vocally unhappy with the study the agency commissioned. One Educational Testing Service consultant associated with the report said the VA is already preparing a list of changes it wants made.

The study is to be sent to Congress this week.

The single Vietnam era veteran today gets \$220 a month while enrolled in an educational institution—or \$1,980 for a typical academic year. These funds are to help defray all educational costs, including tuition, subsistence, transportation, books, supplies and housing.

The World War II GI Bill provided in 1948 for a subsistence allowance of \$75 a month plus a direct payment to the institution for tuition, fees and books up to a maximum of \$500 a year.

The report says that, while the Vietnam veteran attending a public institution has educational benefits slightly higher than his World War II counterpart, he is severely disadvantaged with respect to the veteran of World War II if he desires to attend a private institution, "either vocational, technical or of higher learning."

The five-fold increase in the average tuition of four-year private institutions by 1973, coupled with the cost of books and supplies, requires the Vietnam veteran with

current benefits of \$1,980 to raise an additional \$136 just to meet educational costs—leaving literally nothing for subsistence."

"The current level of educational benefits, when adjusted for the payment of tuition, fees and supplies, represents a significantly smaller proportion of average monthly earnings than did the subsistence allowance paid to the veteran of World War II," the study says.

"It is apparent that inflation and a rising standard of living have taken their toll on the Vietnam veteran's benefits and that his 'real ability to purchase post-secondary education has diminished with respect to his World War II counterpart."

The study also found that while other federally funded student aid programs are available to veterans, it appears that participation by Vietnam veterans "has been relatively small."

The Educational Testing Service is a private Princeton, N.J., firm that conducts surveys, aptitude tests and special analyses for education-related clients.

Congress ordered the VA commission the study during its deliberations on last year's GI Bill legislation. The VA was to have transmitted the results of the study to Congress and the President by April of this year. But the VA did not request proposals from testing firms until May, and the contract to ETS was finally awarded on May 25.

As a result, an ETS staffer said, "we were under an extraordinary time pressure. For a study of this magnitude, the VA ought to have been more on its toes."

Some of the study's other conclusions:

"Educationally disadvantaged" Vietnam veterans—those who have not completed high school or the equivalent—are more unlikely to apply for GI Bill benefits than their World War II or Korean War counterparts;

Black veterans of Vietnam do not participate in GI Bill benefits at anywhere near the levels of white Vietnam veterans;

While the VA claims to have contacted over 80 per cent of the black Vietnam veterans to inform them of their opportunities under the GI Bill, only 9.5 per cent of the black veterans say they have ever received help or advice from the VA.

Along with these findings, the study showed that the Vietnam soldier was on the average more educated than the World War II or Korean War serviceman. Fifty five per cent of the World War II vets did not have a high school education at the time of their discharge. Only 20 per cent of the Vietnam veterans find themselves in the same circumstances.

OUR GRACIOUS EMISSARY

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. SHRIVER. Mr. Speaker, I include the following editorial from the Topeka, Kans., Daily Capital which pays tribute to Mrs. Richard M. Nixon, the First Lady, for her effective representation of our Nation at the inaugurations of the presidents of Venezuela and Brazil:

OUR GRACIOUS EMISSARY

President Richard Nixon could have paid the newly elected presidents of Venezuela and Brazil no higher honors than he did by choosing his wife, Pat, to head the U.S. delegation to represent him at their inaugurations.

With her usual grace and dignity, mingled inseparably with her modest charm, our

April 2, 1974

First Lady most certainly presented that image of sincere friendship so desperately needed in Latin American countries.

Mrs. Nixon was in Venezuela for three days of ceremonies marking the inauguration of Carlos Andres Perez, the fifth freely elected president in that oil-producing country's history.

Delivering personally a letter to President Perez from President Nixon, she added a personal touch by delivering in person an invitation to Perez to visit the United States.

Although the United States is the biggest oil customer of Venezuela, it is not likely the President asked his wife to discuss oil diplomacy with President Perez, but it will be a subject for future conversations with American officials.

Things had changed in Brasilia, capital of Brazil, since Pat Nixon and her husband, then vice president, visited Brazil in 1956. Brasilia then was but a dream, she said, and termed it now as "fantastic."

Mrs. Nixon was accorded the usual state welcome in Brasilia, and also was greeted by several busloads of children from the American school there.

She not only attended the inauguration of Gen. Ernesto Geisel, newly elected Brazilian president, but also paid her respects to Mrs. Scylla Medici, wife of the outgoing president, Emilio Garrastazu Medici.

President Nixon has long recognized that Pat is one of his greatest political assets. She also could prove to be one of the nation's best ambassadors of friendship.

Friendship and trust must be the foundation of all successful diplomatic relationships among nations. Her visit could spark new understanding and mutual concern between the United States and our neighbors to the south.

They are in sore need of repair.

HEARINGS ON H.R. 8722

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. CONYERS. Mr. Speaker, I am pleased to announce that the Subcommittee on Crime of the House Committee on the Judiciary will hold its second hearing on H.R. 8722, which would amend section 1201 of title 18 of the United States Code to mandate the assistance of the FBI in certain missing person cases. The hearing will be held on Wednesday, April 10, 1974, at 10 a.m., in 2141 Rayburn Office Building. The witness will be Assistant Attorney General Henry E. Petersen.

The legislation under consideration was drafted, in part, because of the failure of the FBI to investigate the case of Karen Levy, a New Jersey college student who disappeared after accepting a ride in New York State from a stranger. The subcommittee's hearing on H.R. 8722 indicated several facts which could have triggered the investigative assistance of the FBI, but did not.

Since the subcommittee's hearing on February 27, the Criminal Division of the Department of Justice announced that it has initiated a new policy of reviewing decisions of field personnel not to investigate missing person cases indicating possible violations of the Federal kidnapping statute. In his letter of March 18 to the subcommittee, Assistant Attorney Gen-

EXTENSIONS OF REMARKS

eral Petersen, alluding to the Levy case, said:

You may be assured that in the future the review by this Division will be more full and complete than the evaluation in the Karen Levy case.

During a markup session on March 21, the subcommittee decided to defer further action on H.R. 8722 until it had an opportunity to carefully study this new policy. The subcommittee is particularly concerned with the permanence of the policy. And it will be the intent of the hearing to determine precisely how it will be implemented by the Department.

Those wishing to testify or submit a statement for the record should address their requests to the Committee on the Judiciary, U.S. House of Representatives, Washington, D.C. 20515.

HARLEY STAGGERS STAND ON GUN CONTROL

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. DINGELL. Mr. Speaker, there recently came to my attention a wire service story from West Virginia in which an official of a trappers' association criticized several of that State's Congressmen for what he thought to be their position on gun control. One of those criticized was my dear friend and colleague, HARLEY O. STAGGERS. He was accused of being "antigun, antihunting, and antitrapping."

This puzzled me quite a bit because, for as long as I have known him in Congress, HARLEY STAGGERS has been a faithful supporter of the constitutional right to keep and bear arms. His opposition to oppressive or ill-conceived firearms legislation has been so steadfast over the years that I cannot imagine how there could be any confusion about it.

The gentleman from West Virginia is too modest to claim any credit for this, so I think, as one of his friends, I should take a few moments to set the record straight.

I have never known HARLEY STAGGERS to vote for any measure that would threaten the right of a responsible citizen to own and lawfully use firearms.

Moreover, I have never known him to vote for any law detrimental to hunting or trapping.

HARLEY STAGGERS has owned guns and enjoyed shooting all his life. In 1927, when he was in the Citizens Military Training Corps, he was chosen as a member of its national rifle team. That year, he went to Camp Perry and shot in the national matches, which was then—and I think, still is—the highest level of rifle and pistol competition in the United States.

HARLEY and I both have taken great pleasure in hunting—I know he still has several guns of his own. He taught both of his sons to shoot, same as I did, and if anybody thinks he is against trapping, he does not know that when HARLEY was a youngster, he had his own trap line

which he worked to earn a little spending money.

He can be proud of his record on gun legislation. He voted against passage of the Gun Control Act of 1968. He believed then, as I did, that the criminal does not pay any attention to firearms regulations, and that such laws usually encumber only the honest citizen. Unfortunately, the bill passed anyway, though I believe our skepticism was justified: our experience with this law in the last 5 years confirms the futility of trying to curb crime by legislating against guns, rather than against criminals.

On the other hand, when sportsmen urged Congress to eliminate an absurd provision of the Gun Control Act of 1968—the recordkeeping requirements on the sale of rifle and shotgun ammunition—he was in favor of that amendment. I am glad to say it passed and became law.

There also has been a sensible proposal to extend this recordkeeping exemption to .22 rimfire ammunition. Sportsmen favor this amendment and so does he. We both voted for it in 1970, but we have not been able to get it through the Senate.

So, I really do not know why a few of his folks back home are questioning his stand on gun legislation. HARLEY STAGGERS has made it plain that he wants his sons to continue to enjoy the right to own guns and to hunt, the same as he himself has enjoyed it. I think the people of West Virginia can count on HARLEY STAGGERS being guided by that objective.

GASOLINE PRICES TO INCREASE THIS SUMMER

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mrs. GRASSO. Mr. Speaker, last week, William Simon, Director of the Federal Energy Office said that gasoline prices this summer would increase more on the east coast than elsewhere in the Nation because of the East's heavy dependence on expensive imported oil.

The lifting of the Arab oil embargo will, of course, mean more oil for New England, and for this we are grateful. The alleviation of long lines at gasoline pumps is a welcome respite for Connecticut residents from the hardship they endured during the current fuel shortage.

Yet, this added oil and the gas made from it will be coming to my region at still higher prices, adding to the extreme burden already placed on Connecticut family budgets by inflation in areas such as food and fuel. One FEO official has indicated that while the price of regular gasoline will increase to between 60 and 65 cents a gallon nationwide this summer, easterners might end up paying around 70 cents a gallon.

Connecticut and New England rely on imports for much of their gasoline. Direct foreign imports of gasoline sold in Connecticut have been estimated at as high as 5 percent, compared with about

1.3 percent nationwide. Moreover, about half of the gasoline used in eastern States like Connecticut is produced by refiners along the east coast which get most of their crude oil from import sources.

In addition, independent petroleum marketers are being driven out of business because they are finding it close to impossible to obtain domestic petroleum from the major oil companies. In the past, these independents have been an effective source of competition badly needed in the petroleum industry to keep prices at reasonable levels. However, the heavy reliance of these marketers on high-priced imported oil has meant the slow dissolution of this important sector of the petroleum industry.

What is true of gasoline is also true of residual and heating oil. Connecticut and New England rely heavily on oil to heat homes and to run electric generating plants and factories. The region gets some 25 to 30 percent of its distillate stock, including heating oil and over 90 percent of its residual oil directly from foreign imports. Only the mild winter New Englanders experienced over the past few months averted a heating oil disaster. And now, with the lifting of the embargo and the coming of spring, they must look to further increases in their utility bills piled atop the increases they have already experienced due to higher oil prices.

Mr. Speaker, the FEO's regulation governing allocation of petroleum and petroleum products clearly states that one of the criteria for an adjustment of allocation is to maintain equitable distribution of these products, including gas, "at equitable prices among all regions and areas of the United States and sectors of the petroleum industry." With the Emergency Allocation Act of 1973, the Congress gave the FEO a mandate to provide equitable petroleum product supplies at equitable prices.

In my opinion, for Mr. Simon and the FEO to permit wide divergence in the prices of gasoline among regions of the country or sectors of the petroleum industry is tantamount to a failure on their part to carry out the expressed will of the Congress.

This opinion is not shared by all those involved in the allocation program, however. Indeed, there is one interpretation at FEO which sees the intent of Congress in this area solely as prohibiting discrimination in the sale of petroleum products by individual oil companies like Exxon or Shell. According to this interpretation, equitable prices are not guaranteed under the allocation program for regions of the country or sectors of the petroleum industry.

It is my belief that the Congress' intent in the pricing of gasoline and other oil products must be restated in a clear and precise form. For this reason, I have introduced a concurrent resolution to put the Congress on record again as favoring equitable prices for equitably allocated petroleum supplies.

I urge my colleagues to support this important resolution.

EXTENSIONS OF REMARKS

HON. WILLIAM S. MAILLIARD

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 25, 1974

Mr. MAHON. Mr. Speaker, among the fine and able men who have served in Congress during recent administrations is the gentleman from California, William S. Mailliard. He has written an excellent record of public service in the Congress, serving his constituents, his State and his Nation with distinction.

Much has already been said by my colleagues about this distinguished American, but I want to join with others in taking note of the outstanding service which he has rendered as a Member of Congress. He is one of those solid men in our Government whose presence and wisdom will be missed when he departs these legislative halls at the end of this session.

His leadership as the ranking Republican on the Foreign Affairs Committee and as the No. 2 Republican on the Merchant Marine and Fisheries Committee has been outstanding and these committees will suffer a serious loss with his departure.

Bill Mailliard, I am sure, will find numerous ways to continue serving his fellow man. I shall be wishing him well in his further activities.

A CONSPIRACY AGAINST BLACK NEWS?

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. RANGEL. Mr. Speaker, in a recent column in the Washington Post, William Raspberry raised disturbing questions about the coverage of black people in the mass communications media.

The question of discriminatory coverage by the media is a question that should concern us all, for if the leadership of our minority communities is denied access to the significant communications media on certain issues, we all are less informed than we should be of how a significant portion of our population views important national issues.

I hope that this thought-provoking article will be read carefully by my colleagues.

[From the Washington Post, Feb. 18, 1974]

A CONSPIRACY AGAINST BLACK NEWS?

(By William Raspberry)

"We are being ignored, disregarded and made to feel worthless. The major press of the country has evolved to the point where it ignores black news and black leadership."

Jesse Jackson, director of the Chicago-based People United to Save Humanity (PUSH), was at pains to make clear that he was not sore just because the press hadn't given him the coverage he thought he warranted.

"No, I'm not talking just about me," he said in a telephone interview last week. "But I get around the country quite a bit and

I'm talking about what I see. I'm looking at a tendency, a trend, as I travel."

"I was in Philadelphia a week ago at Rev. Leon Sullivan's church, which holds about 2,800 people. Well, they tell me there were something like 5,000 people there to hear me, all out in the street and everywhere. Now there was a time when (the press) would have had to deal with what kind of force could draw that many people."

"It was the same thing Monday and Tuesday at two other churches. But looking at the papers you wouldn't have thought it was anything important or significant."

Was it anything important or significant? Just what was Jesse Jackson saying in Philadelphia that warranted such massive attention?

"We weren't talking about (Mayor Frank) Rizzo is a racist and so forth, if that's what you mean. We were talking about basic issues, like how do you measure black progress and what do you do about the fact that only 10 out of the top 400 jobs in the city and county governments are held by blacks. We were talking about the absence of black editors on all the newspapers."

But according to Jackson, they might just as well have been talking into the wind so far as media coverage was concerned.

"It was the same thing when I talked to 2,500 people in Seattle. The coverage was zap. When I was in Youngstown, there were three TV news cameras there, but only one (station) put it on the news, and even that one didn't show the audience."

As Jackson sees it, it no longer suffices to talk about news judgments as the reason for the noncoverage. For him it's: conspiracy.

"Look, I'm not just talking about Jesse Jackson. During this whole Watergate thing, was there any idea of asking black leaders for their opinions? We're most affected by the energy crisis, but who talks to us about it? Who talks to us about wage-price guidelines? Dissent is being eliminated—at least any serious dissent."

"You can get in the paper if you want to talk about crime or nigger movies or Roy Wilkins being 'too old' or my analysis of Mrs. King. But start talking about economic policy and you're out of your territory."

A lot of blacks, leaders and led, share Jesse Jackson's misgivings over the dwindling coverage of black America, although not all would share his conclusion that a national conspiracy exists in the press.

One of the things that has happened is that black people are no longer a subject of major government policy debates, both because administration appears to have taken to heart Patrick Moynihan's strategy of "benign neglect" and because Watergate and oil have pre-empted the attention of the government.

From the President's point of view, reinstating programs seriously designed to aid black people would simply open up another controversy for a man who has controversies aplenty already. But since it was government activity (or government reaction to black activity) that used to produce most of the media coverage of black America, the "benign neglect" shows up in the press as well.

But why, Jackson wonders, has the press gone into relative silence during a time when black activity is on the increase? "Look, we've gone from 400 to more than 2,800 black elected officials nationwide, from three to 16 congressmen, and from zero to 100 black mayors. Don't tell me we're not in the news because we haven't been doing anything. Niggers are working their _____ off, and with more sophistication than ever."

And with more success. Which also is part of the media-coverage problem. The next black man elected mayor of a medium-size town probably won't make Page One outside the state: too commonplace. Nor are there the headline-generating massive demonstra-

tions (or the need for them) that were useful in getting civil rights legislation enacted.

To a large degree, that coverage was more concerned with white people than with blacks, anyway. Black people were the subject of the news stories, but they became news only when their activities intersected with white interests.

Now that blacks are increasingly concerned with developing strength without direct reference to how white people might react, they may have become less interesting, less newsworthy, to white people.

Which is a major part of what Jackson is talking about: The fact that the newspapers and television outlets are white, rather than public.

"You read *The Post*, the *Sun-Times* and the *New York Times*, and there's no way you get the impression that Washington is 71 per cent black, that Chicago is 45 per cent black, that New York is 30 per cent black."

MILITARY AID TO SOUTH VIETNAM

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. ESCH. Mr. Speaker, this week we will be voting on the Department of Defense supplemental. Included in that supplemental is \$474 million for military aid to South Vietnam. I wanted to take this opportunity to share with my colleagues an editorial by Mr. Eric Sevareid concerning that portion of the supplemental:

CBS EVENING NEWS

MARCH 25, 1974.

ERIC SEVAREID. It is now ten years since the United States invited itself into South Vietnam in a large way, four years since we invited ourselves into Cambodia—hardly a patch of South Korea where we've been settled in for nearly a quarter century. There, it's troops as well as money. In Indochina, as they say, it's only money. When we incurred into Cambodia four years ago, even so sophisticated a man as Doctor Kissinger was positive we would not have another tar baby on our hands. Just a military in and out, he said: no commitment to support that regime. Four years later, the cost is running to more than three hundred million a year—arms, advisors, food, all the rest of it. And no one has any convincing terminal date in mind. For South Vietnam, the Pentagon now asks an extra four hundred, seventy-four million this year, to get it up around the billion-and-a-half the Pentagon had counted on before Congress did some cutting.

And Senator Goldwater, of all people, is against the supplement and has produced dismay in conservative circles. Scratch South Vietnam, he says; the communists are going to take it over anyway. That, of course, is just a guess. What is certain is that the communist build-up of men and weapons in the South is heavy and will continue. What is also certain is that the South, which dominates air, sea, and all the big population centers, will continue to try to maintain its superiority. It will therefore continue to demand and expect massive American help. The fact seems to be that the vitality of the whole Vietnamese economy has come to rest on American aid. What that government raises in taxes and bond sales, customs and help from other countries amounts to hardly one-sixth of the money the U.S. pours in each year.

The cry of our military is "more," the cry

EXTENSIONS OF REMARKS

of diplomats, like our present ambassador there, is "more." Their cry will always be "more." Each fiscal year will reveal a special emergency, the increased price of oil for Saigon, or a new Russian weapon will appear on the scene, or Peking will utter ominous noises. The Saigon forces will never be up to date for the simple reason that weapon technology never ceases to change. It's like Paris fashions. Nobody's in style for more than a year.

Those supporting the new supplementary money requests, like *The Washington Star News*, claim the point is that an investment of fifty thousand lives and a hundred, thirty billion or so must not be written off. Investment is a curious term for a tragic blunder. In any case, the real point is that Congress must make it clear to Pentagon and Saigon, in one way or another, that sums of this magnitude shall have a terminal date. If not, we will be paying them five, ten, fifteen years from now.

THE MOUNTING ATTACK ON FREE SPEECH AT AMERICAN UNIVERSITIES

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. CRANE. Mr. Speaker, the American university is in a great deal of trouble. While the campuses are no longer erupting in violence, the unfortunate fact is that freedom of speech is being seriously challenged and, more and more, unpopular or divergent points of view are not being provided with a forum.

In response to pressure from the Black Law Students Association at Harvard, for example, a scheduled debate between Roy Innis, the executive director of the Congress of Racial Equality and Dr. William Shockley, a physicist and Nobel Prize winner, was canceled.

This incident, and others which have occurred at campuses throughout the country, renders particularly relevant a warning issued by a group of prominent scholars from the United States and abroad who conducted a 4-day discussion in Venice on "The Crisis of the University." They noted that, even though overt violence and intimidation have diminished, "concessions to expediency are being made every day."

I have served in the university community and have visited many campuses in recent years. The kind of thought control being imposed upon the American academic community is the antithesis of what the university is intended to be. It was my hope that with the passing of the militant New Left this attempt at eliminating freedom of speech would be behind us. Unfortunately, this is not the case.

Recently, the distinguished scholar, Prof. Edward Banfield, was shouted down as he attempted to deliver a lecture at the University of Chicago. His host, the distinguished economist, Dr. Milton Friedman, was insulted and threatened. The result was that the lecture was never delivered. In a manner reminiscent of the young Nazis who imposed their own form of thought control

upon the universities of Germany, freedom of speech was halted at the University of Chicago.

Discussing this event, and the tendency of university officials to acquiesce in the demands of violent protest, *Chicago Today*, in its editorial of March 22, 1974, noted:

Trying to explain to yowling brats what is meant by free speech—why it is important to protect the circulation of all ideas, including unpopular and distasteful ones—is a waste of time. But their inability to grasp such grownup concepts as freedom cannot be allowed to endanger freedom . . . The picture of police arresting demonstrators may be distasteful. The picture of police protecting freedom of speech by breaking up a gang out to destroy it would seem to us rather gratifying.

Following is the editorial from *Chicago Today*:

CENSORSHIP BY MOB

We had another demonstration Wednesday of how easy it is for a really determined gang of storm troopers to censor ideas they don't like. Demonstrators invaded the University of Chicago's Breasted Hall, took over a scheduled lecture by political scientists Edward Banfield, howled down the speaker and his host, economist Milton Friedman, insulted and threatened the audience, and finally forced a surrender. After more than an hour of this oafish terrorism—during which university officials kept the building locked and refused to summon police—Banfield's lecture was called off.

The demonstrators were members of the "Committee Against Racism," a coalition of louts including Students for a Democratic Society and the People's Labor Party. None of these groups has any importance except for their ability to break up other people's gatherings, but that ability is worth worrying about.

These are emotionally underdeveloped types—6-year-old minds in mature bodies—and concepts like free speech are beyond them. Their view of life is that of most normal 6-year-olds: What gratifies them is good, what displeases them is evil [or, as they would say, fascist.]

We recognize the university's dilemma in dealing with these brawlers. Officials feared that calling in police to arrest them would make "martyrs" of them. But their solution was to make martyrs of the audience instead, and that is not good enough.

Trying to explain to yowling brats what is meant by free speech—why it is important to protect the circulation of all ideas, including unpopular or distasteful ones—is a waste of time. But their inability to grasp such grownup concepts as freedom cannot be allowed to endanger freedom; that, we think, is the important point.

The picture of police arresting demonstrators may be distasteful. The picture of police protecting freedom of speech by breaking up a gang out to destroy it would seem to us rather gratifying. A lot more gratifying than seeing a university surrender to a mob of self-appointed censors.

In another editorial concerning this unfortunate incident, the *Chicago Daily News* of March 22, 1974, includes an editorial which notes:

Professor Banfield was charitable about the incident, and said the university had no choice but to be "patient and reasonable." That's the scholarly approach, to be sure. But when a handful of students sets out to subvert the freedom of expression that is the essence of scholarship, there ought to come a limit to patience.

I wish to share with my colleagues the following editorial from the Chicago Daily News, entitled "Setback for Free Speech," and insert it in the RECORD at this time:

SETBACK FOR FREE SPEECH

The scenario at the University of Chicago this week followed the same dismal track seen on many a campus in recent months. Just as a scheduled lecture was about to begin, a band of student protesters took over, shouting, waving banners and hurling insults. The speech had to be canceled.

The speaker in this case was Prof. Edward C. Banfield, a political scientist at the University of Pennsylvania. Without waiting to hear what he had to say, the disrupters branded him a "racist" and free speech at the university suffered another blow.

Similar incidents have occurred at the University of Illinois Circle Campus and at Harvard, Princeton and other schools. The most frequent targets have been psychologist Arthur Jensen and physicist William Shockley, whose controversial views on education and genetics have also been branded "racist." On at least one occasion, a scheduled debate between Shockley and Roy Innes, national director of the Congress on Racial Equality, had to be called off because of threats of disruption.

In most cases the protests have been linked to members of the Students for a Democratic Society (SDS), which long ago forfeited its right to describe itself as "democratic." But whatever radical group or groups are involved, the tactics bear a shameful resemblance to those of the minions of Hitler and Stalin, and have no place on American soil. Their use on a campus dedicated to the free exchange of ideas is especially deplorable.

It isn't necessary to endorse the views of Banfield, Jensen or Shockley to defend their right to express those views. If they have merit, they will win support; if not, they will fall of their own weight. But to shut off debate by violence is the worst possible way to resolve the issue.

Prof. Banfield was charitable about the incident, and said the university had no choice but to be "patient and reasonable." That's the scholarly approach, to be sure. But when a handful of students sets out to subvert the freedom of expression that is the essence of scholarship, there ought to come a limit to patience.

LOS ANGELES POLICE RELAY RUN

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. REES. Mr. Speaker, on May 10, 13 Los Angeles policemen will gather on the Capitol steps to begin a 3,820 mile relay run to Los Angeles City Hall.

The officers, representing the Los Angeles Police Revolver and Athletic Club, will make their run in just over 20 days to mark National Police Week, May 12-18.

The runners and 19 other Los Angeles policemen supporting their effort hope that the run will foster better rapport between policemen and the people they seek to protect. The Juvenile Opportunities Endeavor Foundation—JOE—is making arrangements for youngsters in certain cities to run with the police officers to establish better relations between youth and the police.

Among the supporters of this run is Daylin, Inc., a Beverly Hill company, from which grew the JOE Foundation. Daylin and its chairman of the board, Amnon Barness, lent manpower for a major fundraising campaign to underwrite the costs of the run.

Among those who are assisting are Chic Watt, senior group vice president of Daylin; Peter Grant and Ron Reider, director and associate director of communications for Daylin; Hal Phillips, Daylin public relations consultant; and Ruth Frauman, executive director of JOE.

Mr. Speaker, I urge you and the other Members of Congress to be present at 10 a.m., May 10, on the Capitol steps to support and encourage these men as they begin their long journey.

WHISKY MAKING, LEGAL
OR OTHERWISE

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. CARTER. Mr. Speaker, most of my colleagues are aware of Kentucky's traditional association with whisky making, legal or otherwise; and the "otherwise" has been the source of countless stories over the years. I am pleased to include for the RECORD one such story from the book "Joe Creason's Kentucky":

STORY FROM THE BOOK "JOE CREASON'S KENTUCKY"

Charles M. Summers, now a Campbellsville attorney but for years a moonshine whisky still-busting "revenuer" for the Treasury Department, calls attention to a badly deteriorated farm situation that no doubt has escaped the eagle-eye of Congress.

He points out that some industrious farmers who used to run off an occasional batch of moonshine—and who, consequently, he came to know professionally—have stopped making the stuff. And their farm income has suffered drastically as a result. So, he wonders, if some farmers are paid not to raise various crops by taking their land out of production and putting it in the soil bank, why not a similar payment for farmer-moonshiners who take their stills out of production?

It was a conversation in the privacy of his law office that made him aware of the seriousness of this situation. Each year Summers prepares income-tax returns for a number of farm people who once did a bit of moonshining on the side and who were the targets of some of the investigations he used to conduct, usually with his long-time partner Quinn Pearl. This particular day a farmer who had been nailed once years back by Pearl on a raid he missed came into Summers office to have his tax computed.

"Did you make a lot of money farming last year?" Summers asked.

"Naw," the client replied. "I ain't made no money on that farm since Quinn Pearl chopped up my last still!"

RETIREMENT OF WILLIAM S.
MAILLIARD

HON. B. F. SISK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. SISK. Mr. Speaker, I certainly want to join with my colleagues at this time in paying tribute to our departing California colleague, Bill Maillard.

I am especially glad, however, that his retirement from Congress does not mean the loss of his outstanding talents as a public servant. The Organization of American States is now receiving as its ambassador from the United States a man of singular ability in the field of foreign affairs, Bill having served as ranking member of the House Foreign Affairs Committee for so long.

The closeness of the entire California representation in Congress has also benefited by his leadership of the Republican delegation.

Having served with me during my entire service in the House, I can say with all candor that we will miss Bill here but that the country will be richer for his assumption of this new post which is of such importance to the relationships of all the countries of the Western Hemisphere.

SENATE—Wednesday, April 3, 1974

The Senate met at 11 a.m. and was called to order by Hon. HUGH SCOTT, a Senator from the State of Pennsylvania.

PRAYER

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

Almighty God, who hast called us to serve the Nation in times heavy with crisis and fraught with peril, strengthen our hearts and minds that we may

worthily measure up to the role Thou hast ordained for us. In a world uncertain about many things, make us certain of Thee.

Deliver us, O Lord, from ineptitude and cowardice, from moral paralysis and spiritual inertia. In our day when cleverness often is lifted above goodness and cunning above character, give us the purity of life and honesty of purpose to keep Thy commandments and walk in Thy ways. Use us this day and every day

so that at the end each of us may be able to say, "I have kept the faith."

In the Redeemer's name, we ask it. Amen.

APPOINTMENT OF ACTING
PRESIDENT PRO TEMPORE

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