

EXTENSIONS OF REMARKS

TAX BILL HURTS THE
MIDDLE CLASS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. ARCHER. Mr. Speaker, one of the great successes of our economic system in the United States has been the development of a strong and durable middle class. If we are to continue to grow economically as a nation and to provide a good life for our citizens, we need to preserve our middle class and expand the number of Americans in this group. Yet, under the influence of those individuals more interested in redistributing our national income rather than providing the means for sound economic growth leading to an increase in national income, greater and greater burdens have been placed on the middle-class American taxpayer. The tax bill recently passed by the U.S. House of Representatives is an example of a measure which, in the words of an editorial in the *St. Louis Globe-Democrat*, March 8-9, 1975, "is inexorably grinding the American Middle Class into oblivion." If we are going to stimulate our economy and provide sound economic growth for the future, we need to devise a taxation policy which will not penalize our industrious middle class. I would like to enter this editorial in the CONGRESSIONAL RECORD:

LIQUIDATING THE MIDDLE CLASS

By steadily transferring the income of families earning between \$12,000 and \$30,000 to those who pay little or no taxes, Congress is inexorably grinding the American Middle Class into oblivion.

Figures of the Joint Economic Committee of Congress prove this point. They show that the biggest cost increases to an "intermediate" U.S. family last year came from a 26.5 per cent increase in income taxes and a 21.6 per cent hike in Social Security taxes.

When the averages of inflation are added to the fiscal depredations of the Robin Hood Congress, the effect on Middle Americans is absolutely devastating.

An average U.S. family of four with a \$13,000 income actually LOST 6 per cent in purchasing power in 1974 even if its total income rose at the average national rate of 8 per cent. This was because the 12 per cent inflation rate not only increased the cost of nearly everything it bought but also reduced the value of exemptions and deductions on its tax return.

The continual squeezing of middle-income Americans by a deficit-spending, social welfare happy, inflation-promoting Congress is one of the principal reasons why the nation is in a deep recession.

Under incessant pounding from Congress, families earning from \$12,000 to \$30,000 no longer have money to purchase new cars, major appliances or other durable goods. The result has been a 34 per cent drop in purchases of these "big ticket" items and massive layoffs at companies that manufacture them.

Families in middle income brackets normally buy roughly 80 per cent of all cars, 70 per cent of all washing machines, 72 per cent of all refrigerators and freezers, 85 per cent of dish washers, 67 per cent of room air conditioners, 77 per cent of furniture, 73 per

cent of color tv sets and 75 per cent of hi-fis, according to *Business Week*.

It should be apparent that the practice of Democratic liberals in Congress of soaking the Middle Class, as well as the rich, is destroying the economy along with the families that are the bulwark of our society.

The \$21.3 billion Emergency Tax Reduction bill recently approved by the House demonstrates that the liberals want to continue their war against the Middle Class. It reeks of discrimination against middle-income taxpayers and bias favoring those earning less than \$10,000.

Under the guiding liberal hand of Rep. Al Ullman, D-Ore., the House voted to give about 56 per cent of the individual tax cuts and benefits to families earning less than \$10,000. Taxpayers in the middle-income and higher income brackets who paid far more in taxes will get the short end of the stick.

Thus the bill is an outright fraud. It is billed as a tax reduction when in reality it is another gigantic tax transfer. Families with incomes over \$10,000 simply wouldn't get back their fair share of taxes. Taxes that should be given back to them would be handed over instead to families who paid far less in taxes.

Under this legislative atrocity a taxpayer who paid \$100 in taxes in 1974 would get back his \$100. But a taxpayer who paid \$1,000 also would get only \$100. Most taxpayers with a liability over \$1,000 would get only a 10 per cent rebate, up to a maximum refund of only \$200. Anyone earning over \$30,000 would get a mere \$100.

In specifying about \$8.1 billion in tax reductions on 1975 income taxes, the House also found another segment of the Middle Class to discriminate against—some 9.5 million families who itemize their tax deductions. These 9.5 million families would be virtually excluded from the 1975 tax cuts.

House liberals believe that this maneuver will force these middle-income taxpayers to switch from itemized tax deductions to the standard deduction. They have billed this as a major accomplishment in tax simplification when in reality it is another poorly concealed way of denying middle-income families tax deductions to which they are entitled.

In addition to being another vicious income redistribution vehicle, the \$21.3 billion sham passed by the House wouldn't stimulate the economy as it is supposed to do. Families earning less than \$10,000, who would get the bulk of the tax breaks, are the least likely to purchase the durable goods that must be bought to get the wheels of the economy moving. Middle-income families who do up to 80 per cent of such buying would be badly short-changed.

It is up to the Senate to rewrite the measure so that middle-income families get the tax rebates and tax cuts to which they are entitled. This is the only way to provide an honest tax cut measure. It also happens to be the only way to give the economy the stimulus that it so urgently needs.

CLEAN AIR ACT AMENDMENTS OF
1975

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. BROWN of California. Mr. Speaker, it has been less than 2 weeks since I, and Congressman RICHARD L. OTTINGER, have asked for cosponsors on

H.R. 4369, the Clean Air Act Amendments of 1975. We felt it important to introduce this legislation at this time because of the time schedule that the Subcommittee on Health and Environment of the Committee on Interstate and Foreign Commerce is following on all Clean Air Act amendments. Our package addressed some of the same issues that the administration's bill did, and ignored others. Those provisions of the law that we did not seek to amend are ones that we believe can be made to work, if the Environmental Protection Agency exercised good judgment and good faith in enforcing those provisions of the law.

I have been impressed with the depth and scope of the House hearings, and while there are obviously areas that deserve greater study by other committees, such as the data base upon which the EPA has been making decisions, and their research capabilities in general, the Health and the Environment Subcommittee has been doing an excellent job of exploring, on the record, the main areas of conflict. I am also reassured that the subcommittee is seriously considering the legislation that I, and many of my colleagues, have introduced.

Most of my colleagues have not had sufficient time to consider the legislation that Mr. OTTINGER and myself have introduced, which is understandable under the existing time constraints on all of us. I know that many Members were interested in this legislation, and I thank them for their interest and support. However, the subcommittee is approaching the markup stage on all amendments to the Clean Air Act, and it was necessary to act without delay.

The Clean Air Act Amendments of 1975 have now been introduced three times, as H.R. 4369, H.R. 4836, and H.R. 5220. Many of the public witnesses have also testified on this bill. I would like to share with my colleagues what two of the witnesses said about this legislation.

The National Clean Air Coalition testified on both the administration bill, and the Brown-Ottinger bill. On the Brown-Ottinger bill they said:

The Brown-Ottinger Bill, unlike the Administration bill, addresses responsibly the public health and welfare problems that result from our increasing use of energy, especially energy generated from coal. It includes means for allowing flexibility in meeting the Act's deadlines, while retaining significant and workable measures to encourage the earliest possible compliance.

With respect to sulfates, the bill proposes a device for forcing the rapid development of a National Ambient Air Quality Standard for suspended sulfates, while encouraging emitters to curtail their output of pollutants. Under the bill, the EPA Administrator would have a specified time period to make a choice of either promulgating a Standard, or explaining that certain gaps in his knowledge prevents promulgation of a Standard at that time. If he reaches the latter conclusion, he would by statute begin the application of an incremental emission charge, beginning at 5 cents per pound of sulfur oxides emitted and increasing over a five year period to 25 cents per pound. The gradually rising emission charge would serve two purposes: first, it would provide an incentive for polluters to

curtail emissions; and second, since the charge would be rescinded when EPA promulgated a National Standard for sulfates, it would provide industry an incentive to encourage EPA's efforts to set a Standard.

The bill also proposes requiring EPA to re-examine its National Air Quality Standard for particulates. EPA's present Standard makes no distinction among different-sized particles, though it has become accepted in the scientific community that the health effects of particulates are associated with those of a certain size range. Increasing the use of coal will sharply increase emissions of particulates of all sizes, and it is important that EPA's National Air Quality Standards zero in on those which cause health damage.

The bill also contains a significant new measure to provide flexibility in the deadlines now in the Clean Air Act, without abandoning the deadlines. The Administration bill, as you remember, provides as much as 10 years extension of the date for installing control equipment. In addition, the Administration has proposed to nullify a series of court decisions that limit the States (and EPA's) ability to grant variances to polluters who fail to meet the Act's deadlines. The Administration bill would give EPA power to issue "enforcement orders" extending beyond any deadline set in the Act.

The Brown-Ottinger bill takes a quite different tack. It starts from the fact that pollution sources will have had three years to comply with the State Implementation Plans when the Act's present deadlines for compliance are reached. Many have complied. Those who have failed to comply have reaped a windfall at the expense of the others. An extension of the time for compliance for these polluters, without penalty, would be unfair to those who have complied. Moreover, it would remove to a future date the incentive to comply that comes from the threat of court action to enforce the deadline.

For these reasons, the Brown-Ottinger bill proposes a penalty on "excess emissions"—that is, those emissions in excess of the emission limitations in the applicable State Implementation Plan. This penalty would be assessed in ratio with the degree of violation—the more excess pounds of pollutants emitted, the higher the penalty. Whenever a source reached compliance, it would no longer be liable for the penalty. Thus the penalty would provide an important incentive to comply as soon as possible, rather than delay and seek additional time when the deadline approaches. Since the polluter would be liable for the penalty on a continuing basis, enforcement would be straightforward and no doubt effective. Failure to report accurately one's excess emissions or to pay the penalty would be punishable criminally.

These are the major portions of the Brown-Ottinger bill relating to the problems of sulfates and coal conversion. We believe it contains a far more responsible, effective and reasonable approach to these problems than the Administration's bill. In this short analysis, we cannot address the remainder of the bill's provisions, but we feel the whole bill merits the most serious consideration by the Committee.

The League of Women Voters also testified on this bill, and I was especially appreciative of the following comments made by the League representative, Betty N. MacDonald:

COMMENTS BY BETTY MACDONALD

The League supports other strengthening amendments, proposed by Representatives Brown and Ottinger, which would:

Require EPA to promulgate national primary and secondary air quality standards for suspended particulate matter which reflects the latest scientific evidence on the relationship between the size and weight of particulate matter and the degree of health hazards. The present standards, based on weight, do not take into consideration the more serious health hazards of small particulates;

Prohibit employers from discrimination, firing or otherwise penalizing employees who initiate law suits under the Clean Air Act, or who testify or involve themselves in public hearings or court proceedings;

Require EPA to investigate and institute civil penalties against an employer who willfully misrepresents the loss of jobs resulting from compliance with air pollution standards.

Where unemployment is found to be caused by meeting clean air standards, provide extended periods of unemployment benefits and assistance in meeting mortgage or rental payments during such unemployment. In instances where cutbacks have severely impacted the local economy, such as a company town with a single employer, the Secretary of Labor should be authorized to provide compensation for loss in home values and to pay for moving expenses for workers who are forced to relocate in order to find new jobs.

In conclusion, we want to assure the committee that the public remains your greatest ally in continuing the nation's strong effort in reducing air pollution. We urge you to extend and strengthen the Clean Air Act for another three years.

Mr. Speaker, I wish to conclude my comments by asking that the Members who have had time to consider, and cosponsor this legislation be listed for the RECORD:

THE COSPONSORS OF THE CLEAN AIR ACT AMENDMENTS OF 1975, H.R. 4369, H.R. 4836, H.R. 5220

George E. Brown, Jr., Richard L. Ottinger, Yvonne Brathwaite Burke, Bella S. Abzug, Edward I. Koch, Edward W. Pattison, Robert F. Drinan, Louis Stokes, Jonathan B. Bingham, Ken Hechler, Benjamin S. Rosenthal, John F. Seiberling.

Herman Badillo, Dominick V. Daniels, Ronald V. Dellums, Don Edwards, Frederick W. Richmond, James H. Scheuer, Patricia Schroeder, Stephen J. Solarz, Gladys Noon Spellman, Fortney H. (Pete) Stark, Larry Winn, Jr., Sidney R. Yates.

ENERGY CRISIS STILL UNCLEAR

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. FINDLEY. Mr. Speaker, an editorial in the Jacksonville, Ill., Journal Courier brings a great deal of balance and sense to the debate over the energy crunch. The long lines and critical shortage of last winter have given way to a gasoline surplus this winter. Because of the strong influence of governments—both ours and those of the OPEC countries—the price of oil has not yet responded to the burgeoning surplus, and there is still some question whether it will.

The Journal-Courier brings perspec-

tive and wisdom to the discussion, and I commend it to your attention:

THE ENERGY CRISIS: (CONTINUED NEXT YEAR)

These days, the only certainty is uncertainty. So quickly does one crisis tread upon the heels of another that almost before we have had time to work up a case of worries about one, the next is shouldering its way onto center stage.

In the short space of four or five months, for example, this country has gone from WIN TO LOSE—from Whip Inflation Now to Let's Opulently Stimulate Employment.

Where once it was a patriotic duty to refrain from spending, just the opposite is now true. It was a complete 180-degree turn, but we seem to have taken it in stride.

Right now, Congress and the President are trying to arrive at some mutually agreeable program to lessen America's dependence upon foreign oil by discouraging Americans from consuming so much oil. But will anyone really be surprised if, perhaps this time next year, cries of alarm are heard about an impending recession in the gasoline business because of reduced sales and excess supply?

It could come to pass, at least in the short run. There are all kinds of signs.

OPEC, the Organization of Petroleum Exporting Countries, which had everything going its way in 1974, is beginning to be concerned in 1975. Already the 12 member countries have been forced to cut back production an average of 16 per cent to keep prices up in the face of lowered world consumption and one of them, Abu Dhabi, has announced a slight price reduction.

Even if the others manage to hold the line, inflation—aggravated in no small part by their own action in sharply raising the price of oil last year—has eaten into their profits as effectively as an outright price cut. They are getting more money, but they are paying more for everything they buy from the oil-consuming countries.

Where once it was feared that the Arabs were about to take over the world with petrodollars, some economists are venturing to suggest that the worst of the oil-created financial crisis is over.

Congress and the President may yet prevent natural market forces from coming into play, however, and spare us the terrible consequences of finding ourselves up to our axles in oil.

For its part, the administration actually proposes a floor on imported oil prices to encourage the development of alternate energy sources, none of which at the present stage is competitive with petroleum even at today's inflated prices.

At the same time, to discourage consumption, it proposes a higher tax on a gallon of gasoline, along with a rebate to consumers and a "plow-back" provision to encourage the oil companies to put more of their profits into exploration.

Congress seems willing to go along with some of this, but fearing the possibility of "windfall" oil company profits, opposes lifting price controls on domestic oil and the deregulation of natural gas—thus at one blow both discouraging new exploration and insuring our continuing dependence upon foreign supplies.

In the long run, of course, we will need those alternate sources of energy as well as all the oil and gas we can pump out of the ground ourselves. In the long run, Americans will of necessity practice the "conservation ethic" that is just now a-borning.

But as Lord Keynes remarked, in the long run we will all be dead. It is in the here and now that the dimensions of the energy crisis, and the solutions to it, are suddenly not as clearly defined as they appeared to be only a few months—or weeks—ago.

WHISPERING "DÉTENTE" INTO THE
WIND MEANS NOTHING TO THE
WOLF AT THE DOOR

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. GOLDWATER. Mr. Speaker, on March 11, a U.S. Senator addressed those assembled at the VFW congressional dinner here in Washington. He was there to receive the VFW Congressional Medal.

He spoke to us about the importance of national defense, the dangers of isolationism, and the "new breed of supercritics" that would have us believe that peace will come everlastingly if only the United States would dismantle the Department of Defense.

The Senator did not mince words; he never does. He did not have to draw any pictures. He came prepared with the facts, and the facts were illustration enough.

I believe my colleagues should give careful thought to his message, and I present his remarks for their attention.

I am proud to say I know the speaker well. He is my father, Senator BARRY GOLDWATER, of Arizona:

PREPARING FOR PEACE

(By Senator BARRY GOLDWATER)

George Washington: "To be prepared for war is one of the most effective ways of preserving the peace."

Here lately I note that the Secretary of Defense, as he presents the defense posture statement to the Congress, has been given to quoting scripture. He made good use of Proverbs last year as he began by saying, "Where there is no vision the people perish." And he noted the need for vision in the maintenance of our defense establishment.

This year he quoted from the New Testament in beginning his presentation by saying, "When a strong man armed keepeth his palace, his goods are in peace."

It has been true down through the ages and it is true today that peace can be kept only by the maintenance of a strong military and the willingness of the people and their officials to use it for the protection of America, Americans and our interests. In saying this I do not indicate that I believe we get a dollar's worth for every dollar we spend in the Pentagon. Now I would have to be 100 percent naive to believe that there is no waste and inefficiency in an organization as big as the Pentagon. And I am on record over and over as saying that such "slippages" (I think that is the bureaucratic term) have to be ferreted out and eliminated to the maximum extent possible.

Furthermore the Secretary of Defense is well aware of my impatience and astonishment at the procurement procedures that appear to me sometimes to be pulled out of an abandoned briefcase left behind by one Robert Strange McNamara. I think there is a lot of improvement urgently needed there. I've tried to be constructive in my criticisms, and I am sure the Secretary knows I will continue to be so.

But having said that, I think it's high time that some people who have drifted into Washington on a pink cloud, throwing rose petals in every direction and promising defense budget cuts that would destroy our military, take off their dark glasses. They need to come back from the world of make-believe and get over the nutty idea that you can whisper the word "détente" into the wind and make the big bad wolf go away from the door.

For example, despite the "Spirit of Vladivostok" the Soviets have already begun—in the words of the Secretary of Defense—"a very substantial, indeed unprecedented, deployment of large new ICBM's in the first quarter of this year."

Also—they are now in a position to challenge our attack carrier forces in the Norwegian Sea, the Mediterranean and the Sea of Japan.

They can make a major assault on U.S. and allied sea-lanes.

They can provide more long-range protection for their merchant shipping than they could during the Cuban Missile Crisis.

They have 27 of the Soviet Union's first line divisions in East Germany, Poland and Czechoslovakia.

They have 16,000 tanks and almost 3,000 tactical aircraft at the disposal of Warsaw Pact nations with about 930,000 men at the ready.

I need not go on for this audience. I just simply want to throw out for consideration a few of these little ice cubes left over from the cold war.

These are not, by the way, military secrets. I am not revealing to you something that is being withheld from anyone. These are simple straightforward military facts contained in Department of Defense publications and available to anyone who wants to take the time to read them. And believe me, they are true.

At the same time the Soviets have built up their strength in the Far East to 40 divisions without robbing their western force capability; and while they strengthen their general purpose forces and provide large amounts of military assistance to other countries, we will have a naval fleet this year of under 500 vessels—less than we had two years before Pearl Harbor.

Furthermore, we are now beginning to see the Soviets engaging in the largest initial deployment of improved strategic capabilities since the nuclear arms race began. When you put the improvement in accuracy, the increased "throw-weight" of these missiles and the improvement in their sea-based missiles all together, you can only conclude that Vladivostok notwithstanding, they've got much more strategic offensive capability than they have ever had before.

Meanwhile, here in the nation's Capital, we continue to threaten our defense budget.

Back in 1964—a year I remember with some gladness and some sadness—our armed forces combined with defense-employed civilian personnel stood at 3.7 million people. In Fiscal Year 1976 the total civilian and military personnel will be less than 3.1 million. Adjusted for inflation and the increases in pay we have awarded to maintain our military people in our inflating economy, defense budgets have actually been declining over the past four years.

Now why go through all that? I simply want to show the new breed of supercritics that there are more facts floating around than the few they have captured and keep repeating ad nauseam.

When you convert the rubles into our declining dollars, you come up with some rather startling information:

In defense research and development the Soviets spend 20% more than the U.S.

In all purpose forces they spend 20% more.

In procurement they spend 25% more. In strategic nuclear offensive forces they outstrip us by a whopping 60%.

Now does that sound to you like a nation that is going to be deterred by our willingness to disarm? I think we're going to have to have something more believable than that.

In some ways we may be looking at a situation that much resembles the 1930s. At that time the Balkans were the Middle East tinderbox. With the deterioration of international financial institutions and the growing economic problems of many nations, the

Western powers turned inward and began to get weaker. The upshot of that was the rise of Hitler and the outbreak of World War Two.

In such a situation I don't think we have to be belligerent—in fact we should avoid that in every possible way—but we should not be put in a weaker international position where our civility is mistaken for cowardice. Somehow or other we have let the notion be sold that an active foreign policy implies risks and a passive one doesn't. That's wrong. There are no "risk-free" policies either passive or active. So if there are going to be risks in either case, we ought to take the primary role in shaping those risks and not let others do it for us.

In the words of Col. Oliver—"Put your trust in God, my boys, and keep your powder dry."

Détente, deterrence, defense—are not free floating words. There can be no detente without deterrence, and deterrence is not a substitute for defense. I would add still another to this parade—determination—because it is only as your enemies, and even more importantly, your friends believe that you have the will and the determination to utilize your defense forces and resources that you will be able to get along in this world.

This is what I mean, at least in part, when I said a few weeks ago that this is one of the most dangerous Congresses in history. If the nation can survive this, it can survive anything. I fear that we have too many who have come to the Congress, for whatever reasons, without the basic determination that America will remain a leader in the free world. Somehow the price of food stamps or softening the rules so those who don't work don't have to, is more important to them than that America remain able to keep its own people free, and remain a symbol of freedom to the oppressed around the world.

Let me give you an example of what we are talking about now. At least three different administrations of our government promised monetary aid to South Vietnam and Cambodia. Last year the Congress saw fit to cut that aid in half and now the question comes up, will the Congress approve the amount of money the President has requested in order to keep a moral obligation? The question does not ride on whether or not this money will allow those people to survive, the question rests exactly on what the world is going to think of a nation like the United States that goes back on its word. Nations are like men, men keep their word or they slide down; nations do the same thing.

And if you are interested in getting in touch with those people who represent you in the Congress of the United States, I think it might be well to try and bring home to them that we are not going to maintain a position of strength in this world when we are already talking of giving in to Panama, when we are suggesting that we not keep our word made to another country, and when by even discussing the word detente, we are placing the world more and more in a position where the Soviets will have the final say and we won't even be asked. As all of us know, war is not something any of us advocate but, on the other hand, neither is cowardice. Just let the United States maintain its leadership and increase the effect this leadership can have on the world for good, not for war.

One of the most amazing performances of the last Congress, which illustrates my point, was the handling of the supplemental appropriation that became necessary after the Mid-East conflict of October 1973. We were asked to do everything necessary to insure the survival of Israel.

We were asked to pass a \$2.2 billion supplemental appropriation for that war, and we did it. Now that works out, according to the length of that war to about \$700 million

per week. That's what it cost to replace the equipment and arms inventory, etc.

Now comes South Viet Nam and Cambodia—a country our nation has given our solemn word to, a nation we have committed more manpower and material, lives and money to than any other in so-called peacetime, to see that they remain out from under the bamboo curtain. A nation that has every reason to believe what we say. And the world is watching. And South Viet Nam asks that we keep our promise.

I know this is an audience that by and large I don't have to convince. And I didn't come here to just make you a flag-waving speech. I came because I know that you, and thousands more like you, are spread across this great land in every state and county and township. Many of you come from the districts and states where the isolationist dreamers come from. I'm just asking you to communicate with them. You know how. I know you know how to write, I can't keep up with the mail in my office. But don't write me—write them. Let them know you know something about how this country ought to be run—and particularly how we ought to conduct ourselves internationally.

We are already seeing the unusual procedure develop in recent years to soften the American people to foreign policy decisions they basically resist. Members of Congress have gone to Peking, to Havana and have made speeches extolling these two centers of communism. We are now in the process of having this technique used again on us and I don't intend to sit idly by and watch our long, close friends, the Chinese on Taiwan, turned away nor the destructive regime of Castro recognized.

It never ceases to surprise me at how naive some Americans can be. Here we have the isolationists discounting the military prowess of the Soviet Union because it has a relatively poor and struggling economy. They fail—or refuse—to recognize the fact that Soviet military expansion in the past decade has been extraordinary and that it shows no sign of letting up. A poor economy can sustain a high level of military expansion if the leaders want it.

And here we are talking about "detente" and working for disarmament—just as though the U.S.S.R. was standing still.

Right today, I have to say that the peace of the world is being endangered and its being endangered by our refusal to face reality. Wishful thinking will not solve Israel's problem in the Middle East or Viet Nam's problems in Indo-China. Nor will it help the situation in the Indian Ocean—the importance of which has been lost entirely on our new breed of isolationist.

What is more, the Congress is going to have to wake up to that situation. Last year the Senate and House failed miserably to understand the meaning of Russia's extension of its naval strength into the Indian Ocean. Funds to permit the U.S. to establish a base on the Island of Diego Garcia were cut so drastically that the Soviets will have no trouble holding their base in the Indian Ocean without challenge.

This of course, means they'll be in a position to control everything that moves to our allies in the Pacific, including the oil needed to run their transportation systems and their economies. All they would have to do would be to block the "Straits of Malacca" and nations like Japan, Australia and New Zealand would be at their mercy.

I'm sure all of you know what kind of danger this involves. You fought to make America free, now it's a responsibility of yours to write and fight to keep it acting like a leader of the free world.

"There can be no assured peace and tranquility for any one nation except as it is achieved for all. So long as want, frustration, and a sense of injustice prevail among significant sections of the earth no other section can be wholly released from fear."

Those are not my words. Those are the

words of one of my favorite generals—Dwight D. Eisenhower. It was good advice when he said it then, it's good advice today.

But having begun this talk with words from the Holy Scripture, I would like to conclude that way also. Dwight Eisenhower was a man of deep faith. He was also a good soldier. He knew the value of proper preparation and adequate defense both as Supreme Allied Commander in Europe and as President of the United States. I am sure he often resorted to these words, which I think are appropriate for us as a nation today—words which challenge us on a material as well as a spiritual level.

"The horse is prepared against the day of battle,

But victory is of the Lord."

Thank you for your devotion to your country, and your attention to her needs.

CONTINUING OUR SEARCH FOR OUR MIA's

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. ST GERMAIN. Mr. Speaker, after the recent factfinding journey to Southeast Asia which was undertaken by a distinguished group of our colleagues in the House and Senate, several eye-opening bits of information were gleaned. Among the most disturbing of these concerned the fact that the North Vietnamese are in possession of a list identifying the location of many American soldiers considered missing in action, some for 10 years or longer. However, the North Vietnamese have refused to release this list unless the United States totally withdraws support from South Vietnam.

The seriousness of this threat cannot be ignored. Power plays of this sort always seem to take precedence over the torment which each of our MIA's has endured, to say nothing of the daily suffering of each of their families. We must certainly be wary of nations who will attempt to dictate policy, as in this instance and in last year's oil embargo by the Arab countries. But we also must not forget the MIA's and their families. Therefore, while we continue in our actions to extricate ourselves from this relentless war, I believe that we should redouble efforts to locate these men relying on our own resources, rather than reacting to North Vietnamese scare tactics.

In further reference to the need for continuing vigilance in our search for our MIA's, I am enclosing a Senate resolution passed in the General Assembly of the State of Rhode Island on the 26th day of February, 1975, "Memorializing Congress To Maintain a Vigorous Search for all Americans Who Are Missing in Action in Southeast Asia":

MEMORIALIZING CONGRESS TO MAINTAIN A VIGOROUS SEARCH FOR ALL AMERICANS WHO ARE MISSING IN ACTION IN SOUTHEAST ASIA

Whereas, It has been one year since the American military withdrawal from Southeast Asia and there remains an estimated 1300 men whose fate is still unknown; and

Whereas, Among those unaccounted for are the following Rhode Island men: Air Force Colonel Curtis Eaton, missing since 1966, Army Captain Kenneth Goff, Jr., missing since 1967, Air Force Captain Frederick Mel-

lor, missing since 1966, Navy Lieutenant O. J. Pender, Jr., missing since 1972, Army Staff Sergeant Louis C. Walton, missing since 1971, and Air Force Senior Master Sergeant Samuel Adams, missing since 1965, and

Whereas, All these men courageously and selflessly struggled in an unpopular and lonely war in the belief that it was their duty as American citizens; and

Whereas, It is now our duty to not only these men but to their families who suffered immeasurable hardship to expend all our energies and resources to discover their whereabouts; and

Whereas, Their sacrifice should never be forgotten as it seemingly has been by a majority of Americans especially the Congress of the United States; now therefore, be it

Resolved, That the Congress of the United States is memorialized to maintain a vigorous search for all Americans who are missing in action in Southeast Asia; and be it further

Resolved, That the Rhode Island delegation in Congress be at the forefront of this search; and be it further

Resolved, That the Secretary of State be and he hereby is authorized and directed to transmit a duly certified copy of this resolution to the Rhode Island delegation in Congress.

GOVERNORS URGE STRONG NATIONAL GUARD

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. MONTGOMERY. Mr. Speaker, in their recent meeting in Washington, the Nation's Governors reinforced my own strong belief that our Nation must have a strong National Guard program. Like I, they took exception with recent Department of Defense proposals to reduce the strength levels of the Army National Guard and the Air National Guard.

I would like to share with my colleagues the following resolution passed by the National Governors' Conference and urge my fellow members to rededicate their own efforts on behalf of a strong National Guard program:

RESOLUTION ON NATIONAL GUARD

The Army and Air National Guard of the several States is a force of 500,000 trained and disciplined men and women, organized in over 4,000 units from 2,600 communities. The Governors of the several States rely on this force to provide succor and support to their citizens during times of disaster and strife. Moreover, the National Guard is the least costly of our armed forces, providing 16 percent of the nation's organized military forces for only 2.6 percent of the total military budget.

The Department of Defense has proposed to the Congress that it authorize the reduction of the Army National Guard from 400,000 to 379,848, and the Air National Guard from 95,000 to 89,128. It also has proposed to the Congress that it authorize a reduction in the number of Air Guard flying units from 91 to 86.

The National Governors' Conference strongly opposes any reductions in manning or force structure of the Army National Guard and Air National Guard, and urges instead that additional Federal support be provided to the National Guard in the form of equipment modernization and membership incentives to enhance the Guard's ability to perform its dual State-Federal mission.

(Enacted February 1975 by the National Governors' Conference in Washington, D.C.)

March 21, 1975

ARCHITECTURAL AND TRANSPORTATION BARRIERS FACING THE ELDERLY AND PHYSICALLY HANDICAPPED

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. COHEN. Mr. Speaker, one of the most serious and least understood problems facing elderly and handicapped citizens is the large number of architectural and transportation barriers that thoughtlessly stand in their way. Congressman BURKE and I have reintroduced legislation along with 73 of our colleagues which provides tax incentives to encourage owners of buildings and transportation facilities to remove existing barriers from the paths of the approximately 44 million aged and disabled in our country.

It is vital for us to realize that support for the removal of the Nation's architectural and transportation barriers is not limited to the Halls of Congress, but comes from the general public as well. In a nationwide survey, two-thirds of those polled felt that something should be done to overcome these barriers.

Ms. Pat Curran, volunteer secretary of the Committee for Barrier-free Design of the Maine Rehabilitation Association, published an article in the Bangor Daily News which underlines this strong public support.

Ms. Curran raises the question of our own vulnerability, not only to the physical, but the social handicaps faced by the aged and disabled. I commend this editorial to the attention of my colleagues:

DO WE WANT THEM AMONG US?
(By Pat Curran)

We correctly view the ancient Spartans as a strong, vigorous society. They were so because anyone in Sparta who, for reason of heredity, disease, or accident, could not live "the Spartan life" was sent or taken into the mountains and left to die. Until relatively recently the Eskimauks would place the infirm on icebergs and float them out to sea. While we, of course, neither condone nor practice such barbaric customs, we subconsciously exclude the "less able" from full participation in the "American way of life."

I began thinking about this problem during the course of preparing several statements to present at public hearings on bills dealing with improving the lives of the handicapped. "Why," I thought, "is it even necessary for me, an able-bodied walking person, to have to explain to other able-bodied walking people why handicapped citizens would like to get into so-called public buildings, eat in restaurants, participate in recreation, go shopping?"

"Why do I have to listen to resistance masked as Good Samaritanism, as when a legislator said to me, 'Well, we can always find a couple of strong fellas to carry a person?' Why do I have to repress rage every time a city manager says, 'But they're such a minority and we never see them?'"

I want to shout back, "Of course we never see them, because we don't want to see them!"

I hope that the readers will repress their urges to say, "Oh, fiddlesticks!" or some such thing, and allow me to explain. I also hope that they will sort through their own feelings regarding the handicapped.

I believe that we resent the physically

handicapped adult because he or she is a visible representation of our own vulnerability. I call it, the there-but-for-the-grace-of-God syndrome. We don't like to be joltingly reminded that a single mistake behind the wheel, a misstep on an icy sidewalk, a careless second at the top of a flight of stairs could put us in that chair. The chilling reality of just how fragile the human body is, is something that we simply would rather not face. So, like turning one's back to the northwest wind in winter, we turn our backs on the adult handicapped, casting curious and fearful glances over our shoulders. Remember what Satchel Page said: "Never look back; they might be gainin' on ya."

We're not callous; we're not mean. We give to charitable organizations; we have a National Employ the Handicapped Week; we watch the public service announcements on television which show all of the marvelous things that disabled workers can do.

Yet, when we see a person in a wheelchair, we subconsciously think that that person is on "an outing" from a hospital, a nursing home, a state institution. In a way, we hope that he or she is; we hope that we won't have to see that person again in "our world," the world of physical fitness, jogging, "strong bodies make strong minds." The wheelchair-confined person becomes the Grim Reaper, unexpectedly appearing behind us, and we recoil with a slight shudder.

Our society has provided us with a defense mechanism—the Poster Child. So we think, "Oh, poor thing—has probably been that way from birth. I feel so sorry for him." We don't want to realize that the majority of Americans who are in wheelchairs are there because of accidents or disease—which could strike any one of us at any second. We can't think about the one misstep which might be our last step.

I understand why charitable organizations use kids in their fund-raising campaigns. Nothing is more heart-rending than a winsome little tyke, trying so hard to overcome her weak legs, his wildly waving arms. Nothing brings in money like an adorable little face, with big, bright eyes, and a "brave" attempt to smile.

Would the same amount of money be forthcoming if a 29 year-old man looked straight into the camera and said, "I was coming out of City Hall, after paying my taxes. I slipped on an icy patch on the sidewalk, and the next thing I knew, I was in the hospital. I've got a wife and three kids to support; I need more therapy, and I can't afford it. Will you help . . . organization to see me through?"

I don't think that such a fund-raising drive would work. The viewers could come up with kinds of rationalizations: "He should have watched where he was walking. So . . . where's his insurance? What's he need therapy for anyway; he'll never get better. There but for the grace of . . ."

We also have another rationalization: "Well, we never see them." Of course we never see them. We construct buildings for the able-bodied walking only. Our so-called "public ways" are walled with curbs which make it almost impossible for a person in a wheelchair to cross from one sidewalk to another. Public toilets have stalls so narrow that either one cannot get a wheelchair into them or one cannot turn the wheelchair within the stall in order to transfer from the chair to the facility.

We have more respect for the delivery of merchandise or for the removal of garbage from our buildings than we do for our handicapped citizens. People in wheelchairs must use alley-way, rear-door entrances to get into restaurants. They must wheel through the kitchen in order to arrive at the dining room. In public auditoria, they must come in through the entrance used by the elephants at circus time.

By forcing them to put themselves in totally undignified situations, we rob them of their dignity. We can then pity them, and by pitying them, we can make ourselves su-

perior to them. By making ourselves superior to them, we can forget (for a moment) our fear that, at any second, we too might "be there."

Until we, the able-bodied walking, confront our fear of being "one of them," we will continue to act as the Spartans and the Eskimauks acted in the past. We will deny, we will reject.

JET LAB BRINGS SPACE SCIENCE DOWN TO EARTH

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. TEAGUE. Mr. Speaker, in an article by Mr. Marvin Miles in the Los Angeles Times of Monday, March 17, the practical application of space program technology is well described. In waste disposal, energy, and other essential areas of our daily lives our national space program is continuing to make essential technology contributions. The article which follows amply illustrates this point:

JET LAB BRINGING SPACE SCIENCES DOWN TO EARTH

(By Marvin Miles)

Horse manure from a nearby riding academy put Jet Propulsion Laboratory engineers on the track of a new cost-saving technique for processing sewage that could solve critical national problems of waste disposal.

The promising development is one of the major projects in the Pasadena Jet Lab's busy Civil Service Program Office, which is responding to a wide range of American problems with a goal of producing significant answers.

Long accustomed to dealing with complex tasks in rocket propulsion, guided missiles, space flight and unmanned exploration of the moon and the planets, JPL has increasingly turned its wealth of scientific and engineering talent to the civil sector.

Today more than 150 experts are engaged in dozens of active tasks which address pressing civil problems, not only for the National Aeronautics and Space Administration which directs JPL, but for other government agencies and nongovernmental sources as well.

Headed by Dan Schneiderman, who managed the Mariner 9 spacecraft mission to map the planet Mars, the Jet Lab's civil systems effort is divided into four offices covering five areas—energy and environment, transportation, public safety and biomedical systems.

The fact that the program has grown at the same time space projects have slowed is coincidental, Schneiderman said, although the work undoubtedly has helped keep the laboratory's skilled technical staff intact.

"Actually," he pointed out, "this effort started when JPL gave up working on secret projects during the Vietnam war and turned to solving problems in the civil area."

"It has since grown, with NASA's backing, to speed up what we call technology transfer, the application of space technology to significant urban and industrial problems."

Schneiderman emphasized that the laboratory's role is the solving of such problems rather than the production of systems. He gave as an example the sewage processing development, which could revolutionize waste disposal at substantial savings to taxpayers.

This program, he said, started when Marshall Humphrey, a chemical engineer in JPL's propulsion division, was testing materials in search of a lightweight rocket motor insulator.

"He built a pyrolysis (heating) unit for manufacturing activated carbon that could be used in the throats of rocket motors,"

Schneiderman said. "Carbon comes from organic materials so manure was tried and the result was great."

"Then the question was asked: If we can make activated charcoal out of manure, maybe we can do the same with sewage; in other words, can we use the sewage to clean itself."

JPL engineers found the idea worked and then produced a 10,000-gallon-a-day mobile test unit that converts solid sewage to carbon which, in turn, helps purify incoming waste water.

In operation during the last year for the Orange County Sanitation District at Fountain Valley, the test unit virtually eliminates solids in raw sewage, removes heavy minerals, eliminates odors and delivers cleaner water to the ocean, Schneiderman said.

"The only disposables from the system," he added, "are dry, black, odorless cakes of carbon and ash that are eventually extracted in the process."

Most municipal sewage treatment plants provide only primary treatment, the engineer said, and as a result 40% of the waste material in raw sewage is dumped into rivers and offshore waters, creating mounting problems.

"Tens of billions of dollars," he said, "must be spent to upgrade existing facilities to comply with the Environmental Protection Agency's new standards. Our system is expected to exceed stringent new EPA standards to be enforced in 1977."

Schneiderman told of plans to install a 1-million-gallon-a-day permanent installation at Fountain Valley, a pilot plant funded 75% by a \$2.6 million grant from the EPA. So far, the plan has been stymied by a holdup of the federal funds in Sacramento.

"I don't know why the EPA funds have been stalled in Sacramento," Schneiderman said, "But I do know it will take a pilot plant such as that planned by Orange County to really demonstrate the system and prove we have a breakthrough that could help the entire nation."

In the field of energy the laboratory is working in three major problem areas:

To increase the supply of energy by utilizing essentially inexhaustible sources such as the sun.

To improve the energy yield from fossil-fuel resources in an environmentally acceptable manner.

To reduce energy demand by enhancing the efficiency of intensive use areas, particularly the automobile.

A major program in this area is JPL's low-pollution engine project to generate hydrogen for mixture with gasoline and air to provide engine operation at ultra-lean fuel settings.

Tests to date have shown a mileage improvement of 25%, with a significant reduction in nitric oxide emissions, although reduced burning temperatures have increased hydrocarbons to a degree—a problem that is currently occupying JPL researchers.

In collaboration with Caltech's environmental quality laboratory, the Jet Lab has just completed a \$500,000 evaluation of the kinds of power plants that will be acceptable for cars and light trucks in the 1980s.

Funded by a public interest grant from the Ford Motor Co., this independent study considers all aspects of internal combustion engine design, materials, manufacturing requirements, etc., against the key considerations of fuel consumption and air quality.

The report, which is expected to trigger great interest—and probably controversy—within the automobile industry, will be released some time next month.

Another major project at the laboratory, an investigation for the Energy Research and Development Administration, seeks methods of producing low-cost, high-volume solar cells for the production of primary electrical power from the sun's rays.

This program seeks to reduce the cost of solar cells to the point where generating arrays competing with conventional or nuclear power stations can be made available for 50 cents per watt generated.

"Current solar cell arrays are much too costly, ranging up to \$50 per watt," Schneiderman said. "We hope that the crystal silicon cells will eventually be produced like Reynolds Wrap."

In the energy field the laboratory also is analyzing coal mining technology, unmanned undersea oil and mineral exploration, and oil exploration by special processing of satellite films.

Additionally, JPL is supporting a NASA effort to develop a comprehensive program for the definition, integration and commitment of geothermal (earth heat) resources for the effective development of power.

In the area of public safety the laboratory is studying development of a national law enforcement telecommunications network to meet the exploding need for fast information exchange throughout the 50 states.

The criminal justice system is under steadily increasing pressure to reduce response time in fighting crime, Schneiderman said.

One such supporting development is the emergency communications and control system (ECCS) being developed for the Los Angeles Police Department to relieve the overcrowded radio spectrum with print-out messages to patrol cars.

Another support system for the police would provide automatic location of patrol cars when officers are on foot in pursuit of offenders.

Also in the area of criminology, JPL scientists have developed a digital image processing technique for computer restoration of smeared or distorted fingerprints and a method of monitoring all police vehicles in a given district.

But while civil projects draw on all of JPL's technical divisions for needed skills, the Caltech laboratory still functions as a NASA facility and its role in the exploration of space remains its primary responsibility.

IMPROPER BENEFICIARIES OF PUBLIC ASSISTANCE

Prohibit strikers from receiving AFDC;

Require assumption of fiscal responsibility for all aliens by Federal Government;

Define "child" as one below the age of 18; and

Provide 75 percent Federal matching for local law enforcement fraud control costs.

RESOURCE UTILIZATION

Require lump-sum benefits to be used to meet recipients' needs;

Allow adjustment of any overpayments from the grant;

Preclude federally funded attorneys from requesting attorney's fees in litigation against public entities;

Eliminate the current 10-percent limitation upon vendor payments; and

Define available income to include any for which the individual has only to file a claim and shared housing and utilities.

FAMILY RESPONSIBILITY

Restrict definition of continued absence, to include only desertion, divorce, legal separation, institutionalization, and incarceration, all in excess of 30 days;

Require military personnel to make and forward allotments of their pay for the support of their families;

Require support by non-needy person living with welfare family in amount it would cost him to support himself;

Require cross-check with State and Federal income tax agencies to determine if non-needy person living with welfare family has claimed any of such family as dependents;

Require States to establish criminal sanctions for willful and knowing misuse of grant for purpose other than support of needy children and caretaker; and

Preclude judges' waiver of arrearages in absent parent support.

WORK REQUIREMENTS

Make it clear that States may require a community work experience program as a condition of eligibility; and

Standardize sanctions against able-bodied, employable recipients who voluntarily leave or refuse to look for or accept employment.

ADMINISTRATIVE SIMPLIFICATION

Simplify and decentralize the fair hearing process; and

Eliminate the stateness requirement for social services.

If enacted this legislation would halt the practice whereby persons with high incomes receive welfare payments. It would eliminate from eligibility those who should not benefit from tax-supported assistance. It also would limit opportunities for welfare fraud.

Since the parent who defaults on his family support responsibilities is at the root of much of the welfare problem, my bill would strengthen child support requirements. In addition, it would strengthen work requirements and give the States flexibility in designing effective programs to assist welfare recipients in the return to self-sufficiency.

These reforms are desperately needed. Passage of the National Welfare Reform Act of 1975 would not only provide some relief for the taxpayer but also allow more money to be given to those who are truly in need.

MEANINGFUL WELFARE REFORM

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. ASHBROOK. Mr. Speaker, the staggering cost of welfare is a serious national problem. It has strained the pocketbook of the taxpayer and drained the public treasury at every level of government.

A major part of the cost results from aid to families with dependent children—AFDC. In the last 20 years Federal AFDC expenditures have grown from \$545 million to over \$4 billion.

I believe it is time that we closed the loopholes and ended the abuses in the AFDC program that are causing so much of these vast expenditures. Therefore, I have introduced legislation entitled the National Welfare Reform Act of 1975.

Provisions of the bill include the following:

AFDC RECIPIENTS WITH INCOME

Limit gross income eligibility to 150 percent of the needs standard;

Deduct work-related expenses before earnings exemptions;

Require eligibility to be redetermined without benefit of earnings exemptions for any individual who has earned income in 4 or more consecutive months and for any applicant or reapplicant; and

Provide for a standard work-related expense option.

**SURFACE MINING CONTROL OF
RECLAMATION ACT OF 1975**

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 18, 1975

Mr. GOLDWATER. Mr. Speaker, it was with a great deal of regret that I voted against H.R. 25, the Surface Mining Control and Reclamation Act of 1975. I fully agree with the objectives of the bill. Coal mining, and especially coal surface mining, is a difficult, dirty, tough business. Some of the mining techniques developed over the years have been expedient and cost efficient. But, they also have been environmentally injurious and destructive. For far too long, America has let expediency and efficiency be the only considerations. We have let only these considerations dictate waste disposal and esthetic treatment of the land. We have been poor stewards of God's creation to the extent that our search for coal has caused us in some areas to tear open the Earth, wrench out the mineral treasure and leave festering, poisonous sores and scars behind.

But, we cannot correct 150 years of abuse and thoughtlessness in 1 year or in one measure. This Nation lives on coal and coal derivative products. Our quality of life is dependent on a continuing abundance and efficient use of coal. A majority of our industrial and residential activities are totally dependent on coal. This legislation is so burdensome, costly, and restrictive as to seriously threaten our industrial might, our quality of life, and our economy.

The bill will close down some operations without regard for whether they are behaving responsibly or not. It will prevent the development of many available, accessible surface deposits that could provide us with cheap energy. This legislation will cause increases in the electric bills you and I pay. The consumer-taxpayers cannot afford any more increases in their electric bills, just as they cannot afford the increased retail prices of goods and services produced from coal derived energy or coal derivative products.

The Congress is playing a shell game with Americans. We offer the beleaguered taxpayer some relief 1 week in a tax rebate bill and then turn around the next week and take it away through the higher costs of goods and services this bill will bring about. And, we are doing it in such a way as to discredit and erode legitimate environmental interest and concern.

H.R. 25 does not just confine its negative, harmful effects to direct costs in the marketplace. It also creates another gigantic, all-powerful, inefficient Federal bureaucracy, and it places expensive regulatory burdens on the States. The American free enterprise system cannot support much more costly, arbitrary, and capricious bureaucratic oversight and interference. Inflation in the marketplace is not just a function of deficit

Federal spending and easy Federal monetary policy.

Less obvious but just as devastating a factor is the myriad of regulations imposed on the private sector by Government. Someone must pay for the man-hours spent in processing forms, making product changes, making alterations or additions to the plant, and informing the consumer. These costs are a "hidden tax." And, the costs are passed right on to the consumer. You and I pay and pay and pay.

This bill establishes regulations, procedures, and liability bonding practices that are time consuming and expensive. Some of them clearly confer benefits that outweigh the increased price tag. But, too many provisions in this bill are counter-productive and self-defeating. Their cost—both in dollars and lost resources—outweigh any intended benefit.

This legislation does these things in a time of growing unemployment, sagging industrial production, falling consumer activity and rising inflation. H.R. 25 could have been a good bill. It could have begun a reasonable restoration of our environment in strip mining areas. And, it could have done it in a manner compatible with today's energy and economic realities. I wanted to be a partner in such an undertaking, but this legislation is too extravagant. It is dangerously punitive and prohibitive. It will make the goal of energy self-sufficiency an impossible dream and it will make you and I pay dearly for the privilege.

**A TRIBUTE TO RABBI HENRY E.
KRAUS**

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. LLOYD of California. Mr. Speaker, I am privileged and honored to have as a constituent and friend Dr. Henry E. Kraus, who is the rabbi of Temple Beth Ami in West Covina, Calif. It gives me pleasure to deliver in this House of Representatives words of tribute and praise to Rabbi Kraus.

He is indeed a remarkable man. Thirty years ago he was liberated from the Nazi holocaust in Germany by Gen. George Patton's 3d Army.

Eighteen years ago he escaped from the peril of communism during the Hungarian Revolution. He came to the United States of America from Hungary after Congress, upon the request of President Eisenhower, passed a resolution of special permission for Hungarian refugees to enter our country.

Dr. Kraus, who holds a Ph. D. from the University of Budapest, also holds the highest rabbinical degrees from the Jewish Theological Seminary of Budapest. He was ordained as a rabbi 35 years ago.

On April 6, 1975, this humble man who has devoted his life to God and the cause of human dignity, will be honored

by his Temple Beth Ami with a testimonial dinner.

The State of Israel will also honor him with the Ben Gurion Award, which for the first time will be given in California.

My words of praise to Rabbi Kraus seem to pale by comparison to his lifetime of achievements and dedication. Few could have survived his ordeals. Yet, he not only survived, but also lived to triumph over his difficulties. His life, which I pray will continue for many years, serves as the highest example for all of us. To know this man as I do is a personal honor for me.

Such a man as Rabbi Kraus is rare. He has achieved the highest honors in his studies, vocation, and service to God. He is loved by all who know him, and all who know him are in turn loved by him.

As a Representative of this 94th Congress, I salute Rabbi Kraus.

**BENEVOLENT RULE UNDER
SIHANOUK?**

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. DERWINSKI. Mr. Speaker, as the Congress will soon be taking up the Cambodian aid issue, I would like to bring to the attention of the Members an editorial by Rowland Evans and Robert Novak, which appeared in the Saturday, March 15, Chicago Sun-Times.

This article, which explores the situation in Cambodia under the absentee rule of Prince Sihanouk, is very penetrating and timely as the debate in the House and Senate continue of this issue; therefore, I insert it at this time:

BENEVOLENT RULE UNDER SIHANOUK?

(By Rowland Evans and Robert Novak)

WASHINGTON.—The foggy notion in Congress that ending aid to Cambodia will halt bloodshed under a coalition government benevolently guided by Prince Norodom Sihanouk conflicts with two harsh realities.

First, Sihanouk, exiled in Peking, has no real influence over Communist forces in Cambodia, which are largely controlled by the North Vietnamese politburo.

Second, neither Cambodian insurgent leaders nor their mentors in Hanoi have the slightest intention of collaborating with the defeated politicians of Phnom Penh. Rather, they talk of avoiding the mistake of Salvador Allende, the late Marxist president of Chile; not quickly liquidating the bourgeois politicians who later ousted him.

Thus, by stopping fuel and ammunition for besieged Phnom Penh, Congress speeds the Communist victory and probably guarantees nationwide re-enactments of executions, imprisonments and repression common everywhere in Cambodia under Communist control. Even with continued U.S. aid, the miserably led Cambodian army seems doomed. But that can be traced to years of Congress' denying adequate aid and advisers.

To cleanse their hands of blood, members of Congress show ingenuity—particularly Sen. Henry M. Jackson (D-Wash.), the former hawk turned Indochina dove. Jackson is

urging Senate Majority Leader Mike Mansfield (D-Mont.) to fly to Peking to urge his old friend Sihanouk to seek a coalition government that would avert a Cambodian bloodbath. The Jackson view of Cambodia sees the insurgents suspicious of Hanoi, friendly to Peking and respectful of Sihanouk.

Jackson must not have listened to the prince lately. Ever since being deposed by Gen. Lon Nol on March 8, 1970, Sihanouk has talked of revenge through Communist military victory in Cambodia and then fading away to France. "If I go on as chief of state after victory," he told the Swiss Tribune de Geneve in December, 1971, "I run the risk of being pushed out the window by the Communists, like (Jan) Masaryk, or I might be imprisoned for revisionism or deviationism." He since has sounded that theme in interview after interview.

Nor is Peking calling the Cambodian tune. Although military supplies for the insurgents come from China, 2,000 military advisers in the field are North Vietnamese (as are some 8,000 logistical troops).

And Hanoi is notoriously allergic to negotiating when its troops are on top. The clandestine radio of Cambodia's insurgents, located near Hanoi and run by Vietnamese, on March 3 indicated President Lon Nol and six other Cambodian leaders: "Our Cambodian people . . . cannot forgive these traitors. We must eliminate them." Any doubt about what "eliminate" meant was ended March 6 when Sihanouk told Reuters that six of the seven (excluding former Prime Minister Son Ngoc Thanh, now in Saigon) would "probably be executed."

In short, when anti-aid congressmen argue to end aid rather than "prolong Cambodia's agony," they are urging the United States to hasten a brutal campaign against one of the world's oldest, most sophisticated cultures.

A BAN ON POLITICAL RECOMMENDATIONS FOR COMPETITIVE SERVICE POSITIONS

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. ANDERSON of Illinois. Mr. Speaker, I am introducing today a bill which will strengthen the merit system of appointing civil servants by outlawing political recommendations. This would apply to myself, my colleagues, Members of the other body, and any other elected or political official. It would extend to the civil service and other competitive services the ban on political interference which now covers appointments to the Postal Service.

If we are to have a Government staffed by the highest quality administrators, the impartial hiring procedures which make up the merit system must be allowed to operate untrammelled.

While intentional subverting of Civil Service regulations is, I believe, increasingly uncommon, this bill would erect a firm barrier against any attempts at politicization of positions which by law must be filled impartially. The recent ruling by the Civil Service Commission forbidding referrals by its own commissioners is one necessary step in exorcising undue political influence. This measure I am now presenting would go fur-

ther and make it clear that Congress is firmly committed to fair, nonpartisan, and effective competitive service appointments.

The workings of this ban are fairly simple. Appointments, assignments, and so forth, of competitive service personnel will, as by present law, be made without reference to any recommendations by elected or political officials. Any statements on behalf of a candidate must be returned to their source, marked as violations. Neither the candidate nor congressional or other political officials may request or furnish a recommendation. Statements concerning work performance, character, or residence may be requested and supplied through the competitive service hiring authorities, however, so that endorsements based on specific experience with an employee or associate would, rightly, be permitted.

Rather than cutting down the prerogatives of Congress, I feel this legislation will provide Members with a meaningful guideline concerning recommendations. In addition, it will provide a necessary legal footing for continuing efforts on the part of competitive service officials to restore and retain the merit system in its most efficient form.

MILITARY AID TO SOUTH VIETNAM

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. RHODES. Mr. Speaker, on Wednesday of this week the North Vietnamese overran the South Vietnam city of Quangtri. This was followed early Thursday by a wave assault on the old imperial capital of Hue. The rapid-fire loss of these two South Vietnamese cities represents the most dramatic and disastrous military setback for the South in the long and bitter history of the Vietnam war.

The decision to abandon the highlands was a painful one made out of military necessity. The thought was to preserve government forces and ammunition for use in subsequent battles. The Government of South Vietnam, after considering the situation carefully, reached the conclusion that their chances of repelling this inevitable Communist wave attack will be better if they consolidate their resources nearer to the capital city of Saigon.

As I said, this was a military decision that, given the circumstances, was probably a wise one. But here—as elsewhere—we cannot separate the human element from this development. The decision to retreat may have brought the South Vietnamese army some additional time, but it has also created thousands upon thousands of new refugees, more than in any short period in the history not just of this war, but of war itself. At least 100,000 people, according to the most recent estimate, have fled from Quangtri and Hue to Danang.

Mr. Speaker, it is obvious that the people of South Vietnam do not want to live under Communist rule. It is also obvious that many Americans—and I am thinking in particular of our own military men who fought to keep South Vietnam free—also do not want to see a Communist takeover.

Last year, Congress cut administration proposals for aid to South Vietnam almost in half. This year, the President has made a request for a supplementary aid allocation which Congress is presently considering. Given the situation in South Vietnam as it exists at this very moment, I think it absolutely essential for Congress to face the issue squarely and reach a final decision that is both practical and humane—if such a combination is in fact possible.

I hope that this House will act promptly on this matter of great urgency and provide the South Vietnamese with the military resources that can enable them to survive in their hour of darkest need.

SHOPWELL FOOD DISCOUNT PROGRAM AIDS ELDERLY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. RANGEL. Mr. Speaker, I believe that many of our colleagues in the House of Representatives will be interested in a new idea being tried by one of the supermarket chains in New York City. I have been advised that on March 11, 1975, Shopwell Inc., 400 Walnut Avenue, New York, N.Y., announced a food discount program aimed directly at helping those who need it most. In accordance with the program, Shopwell savings certificates will be sold at a 10-percent discount to senior citizens and to persons on welfare, to those who qualify for Federal food stamps, and to the unemployed beginning March 24 and ending August 25.

Certificates in \$5 denominations will be sold on Mondays only, from 9 a.m. to 6 p.m., at 23 Shopwell supermarkets in New York City and the surrounding area. They may be redeemed any day of the week in all 90 Shopwell stores for purchases of all products except cigarettes and beer.

Purchases of Shopwell savings certificates up to \$50 per week per family will be allowed upon presenting proper identification at one of the selling locations. Each certificate will be signed by the recipient at the time of purchase and again when used at a Shopwell store. The certificates must be used in their entirety, since change cannot be given at the time of purchase. The certificates may be used any time in the future and there will be no expiration date on the certificates.

Mr. Speaker, I enthusiastically endorse this program. It appears to be imaginative and well intentioned. In this great country, with all of its apparent wealth, for too long we have tolerated a large number of our citizens having difficulty feeding themselves.

DAVIS-BACON ACT UNDER ATTACK

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. EILBERG. Mr. Speaker, the Davis-Bacon Act was passed 34 years ago, during the depression to protect construction workers from unscrupulous contractors who would import unemployed men and pay them substandard wages instead of the prevailing rate.

Today, in a period of unemployment among construction workers, which equals depression levels, Davis-Bacon is under attack by persons who claim it is driving up the cost of construction. This is simply not true and the matter should be clarified.

At this time I enter into the RECORD a letter sent to me by Robert A. Georgine, president of the Building and Construction Trades Department of the AFL-CIO:

BUILDING AND CONSTRUCTION

TRADES DEPARTMENT,

Washington, D.C., March 17, 1975.

HON. JOSHUA EILBERG,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN EILBERG: The Davis-Bacon Act was enacted in 1931 with the purpose of protecting local wage standards of workers on Federal construction projects. Later, the scope of the Act was expanded to include construction which was Federally-assisted, even though the contract was not wholly a Federal project. This program was necessary because unscrupulous contractors were winning Federal contracts at the expense of the poorly paid construction workers. By importing labor from areas where wages were lower, or by drawing workers from pockets of high unemployment, the promiscuous contractor undercut the prevailing local wages and usually caused serious distortions in local economic conditions.

In 1931 the Federal government decided that it would no longer be a party to such exploitative practices. The Congress examined the construction industry and decided that it would protect these workers against those that would line their pockets in times of economic crisis. Again we are facing a dangerous economic situation. In 1931, when the Davis-Bacon Act was passed, we had a national unemployment rate of 15.9 percent. Today the construction industry has a 15 percent unemployment rate set against a much larger work force. That is why it is particularly inappropriate for some members of Congress to be considering the repeal of this worthwhile program. But even beyond its immediate value this program has served a very necessary function throughout the past 44 years. By its nature, the construction industry is subject to high rates of unemployment. A review of the last five years demonstrates this. In 1969 the average annual rate of all unemployment was 3.5 percent; in construction it was 6 percent; in 1970 the annual rate was 4.9 percent; in construction it was 10.4 percent; in 1972 the national rate was 5.6 percent and 10.3 percent in construction; and in 1973 the national rate of unemployment was 4.9 percent while the construction industry suffered a rate of 8.8 percent unemployment. Today, even though the 8.2 percent (Jan. '75) unemployment rate for the nation is the highest since 1961, the jobless rate in construction is twice that figure.

These figures show that unemployment in the construction industry runs about twice as high as the total economy. Because of this,

construction workers face a higher risk of exploitation. In the past the Federal government has refused to be a party to such unfair practice, but should Davis-Bacon be tampered with, Congress would be just as guilty as the profiteers who would win Government contracts by paying substandard wages, thereby dragging the economy lower into the depths of our economic recession.

Whenever the Davis-Bacon Act is discussed detractors reference the high hourly wage paid in the construction industry. They choose the hourly wage because it gives an inflated impression of annual earnings.

According to Labor Department studies, the average full-time construction worker only works about 1,500 hours at his trade each year—about 500 hours less than the average industrial worker.

By maintaining the prevailing wage requirements of the Davis-Bacon Act we will provide equality of opportunity for contractors bidding on Federal government construction projects, and assure that contracts are awarded not according to exploitative wage rates but according to qualifications and efficiency of operations.

The current downswing in the economy reinforces the need for the continuance of this program. In 1973 all new construction totaled \$135.5 billion. Of this, \$32.5 billion was government-related. In 1974 government construction exceeded \$34 billion and had Davis-Bacon not been in effect the situation facing construction workers would be even more disastrous than it is today.

The purpose of the Act is not to increase construction wages but to maintain construction wage levels already prevailing in an area. With government or government-related construction going on at a \$35 billion dollar pace, the Federal government could, without Davis-Bacon, wield tremendous power in local labor markets, and Federal contractors working on these projects could act as market depressants.

Congress is considering other programs to bolster our sagging economy and it is ludicrous that you should even be discussing the repeal of a program which has served so well in the past and is so uniquely appropriate for our present needs.

Construction workers are not becoming wealthy at the public expense; the Davis-Bacon Act does not increase wages but only maintains them, and therefore, the Building and Construction Trades Department feels that to repeal Davis-Bacon at this time would be injurious to thousands of construction workers and their families and would have a depressing effect on both the local and national economy.

With best wishes, I am
Sincerely,

ROBERT A. GEORGINE,
President.

THE 1975 OHIO MOTHER OF THE YEAR

HON. WAYNE L. HAYS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. HAYS of Ohio. Mr. Speaker, I would like to take a brief moment of the House's time to say something about a constituent of mine who has recently achieved a signal honor. Mrs. Harold Timberlake of Toronto, Ohio, has been chosen as the 1975 Ohio Mother of the Year. Her selection was the culmination of a series of accomplishments and honors achieved by Mrs. Timberlake through a lifetime of dedication and service to

her family and her community. Her accomplishments are so extraordinary that I would like to bring only a few of them to the attention of the House of Representatives.

As the mother of a retarded child, Mrs. Timberlake was repeatedly counseled to put her child into an institution. Instead she and Mrs. Norma Cable, also the mother of a retarded child, decided to establish an education program designed to return these children to a useful life in society.

Her efforts began with a door-to-door campaign to contact families who might be interested in sending a retarded child for instruction. The first class was conducted in a basement room of the Old Washington school building in 1952. As the program grew, she began to travel through the area lecturing at high schools, colleges, hospitals, and the many service organizations that serve good causes. She was the first president of the Jefferson County Council for Retarded Children and was the supervisor of the county program until 1966 when she became the supervisor of the sheltered workshop attended by her son.

She serves on the board of directors of Martha Manor, is a member of the Jefferson County Child Development and Family Advocacy Center, and the Ohio Lung Association. She is also past president of the Jefferson County Tuberculosis and Health Association and served on the board of directors of the Ohio Association for Retarded Children. Everyone in Jefferson County who has ever known a retarded child or who has any interest in or contact with the improvement of retarded children knows Mrs. Timberlake and the work she has done.

Mr. Speaker, on behalf of myself and all of my colleagues here today, I wish to extend to Mrs. Harold Timberlake our sincere gratitude and best wishes.

CORRECTING THE RECORD ABOUT SYRIAN JEWS

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. SOLARZ. Mr. Speaker, last week a letter appeared in the New York Times in which the writer declared that—

Jews living in Arab Countries enjoy equal rights.

This statement is a gross misrepresentation of fact, particularly in the case of the small but vibrant Jewish community in Syria.

A rebuttal has been submitted to the New York Times by Mr. Michael Abraham, secretary of the Committee for Rescue of Syrian Jewry. In his letter, Mr. Abraham reports that—

The 4,500 Jews of Damascus, Aleppo and Qamishli are being subjected to the cruelest forms of discrimination, restriction and torture.

He continues by listing a number of the many restrictions which are imposed upon the Syrian Jewish community. Hav-

ing recently visited that land and having seen for myself the conditions under which Jews in Syria are forced to exist, I can attest to much of what Mr. Abraham has written.

I believe the record should be set straight and the facts made clear to our colleagues and other persons of good will. I take this opportunity to present herewith, for inclusion in the RECORD, the full text of Mr. Abraham's letter and commend it to the attention of our colleagues:

COMMITTEE FOR RESCUE OF
SYRIAN JEWRY,
Brooklyn, N.Y., March 11, 1975.

The NEW YORK TIMES,
New York, N.Y.

To THE EDITOR: Michael Saah, Secretary of the Natl. Assn. of Arab Americans, who states that "Jews living in Arab countries enjoy equal rights. . . ." (letter March 11) has totally ignored the dire plight of the Jews in Syria and has deliberately attempted to conceal the facts.

The 4,500 Jews of Damascus, Aleppo and Qamishli are being subjected to the cruelest forms of discrimination, restriction and torture. They must carry cards boldly marked in red ink "Jew", their freedom of movement is severely restricted and they are kept under close surveillance by the secret police. Moslem principals in Jewish schools have curtailed religious studies. Soldiers were ordered to boycott Jewish shops. Jews are forbidden to import and export, denied bank credit or collection of debts and may not sell or dispose of their property. They live in constant fear and are prevented from emigrating.

As to Mr. Saah's suggestion that Jews "were discriminated against for . . . dual loyalty.", this is completely untrue since the Syrian authorities are obviously aware that their Jewish citizens are innocent scapegoats and that their only crime is being Jewish.

Sincerely yours,

MICHAEL ABRAHAM, Secretary.

RE-REFINED CRANKCASE OIL
DESERVES A CHANCE

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. HELSTOSKI. Mr. Speaker, each day it becomes more imperative for us to take whatever steps we can to conserve our existing energy supplies, and one idea which is receiving increasing attention concerns the possibility of using re-refined oil more effectively.

Lubricating oil does not wear out; it just gets dirty. Nevertheless, we waste a great deal of oil which could be salvaged through the recycling facilities of oil re-refiners. As a result, I recently introduced a bill which is designed to facilitate more widespread use of re-refined oil.

Today, however, I would like to call our attention to an article which was forwarded to me recently by one of my constituents, Mr. R. Kurtz, of Lyndhurst, N.J. Written by Patrick J. Sloyan, of the Los Angeles Times/Washington Post News Service, the article is entitled "Re-refined Crankcase Oil Deserves a Second Chance." In view of the fact that I found this material to be relevant to

the problem now facing our country, I would like to take this opportunity to share this article with my colleagues:

RE-REFINED CRANKCASE OIL DESERVES A CHANCE
(By Patrick J. Sloyan)

WASHINGTON.—It is a simple procedure witnessed by many motorists: The mechanic loosens the crankcase drain on the car with a wrench, then unscrews it with his fingers so that the black, syrupy, used oil can ooze away.

Where does it go?

That depends on what country you live in. If it is the United States, it could end up in the water you drink or the water you swim in. The Environmental Protection Agency estimates that 370 million gallons of waste oil is dumped each year—on the grounds, or in the ocean.

If you live in West Germany, this dirty oil is a valuable commodity. A major industry collects it, re-refines it and returns it to the market place for use by car owners and industry.

But in the United States the Ford administration has retained a dubious federal policy to deal with the 1.1 billion gallons of dirty oil that pours out of autos and industrial machines each year. So far, the administration has rejected re-refining proposals that could save oil during an energy crisis, create jobs during a recession and eliminate one pollutant from increasingly hazardous water systems.

Before 1965, there was a bustling oil re-refining industry in many major American cities. More than 160 such companies paid filling-station owners and others for their old oil. The re-refined product was the cheapest oil a driver could purchase at most gasoline stations. A lower-priced re-refined oil was favored by farmers, contractors and other users of "off-highway" machines.

The turning point came in 1965, when Congress repealed a series of excise taxes. The major oil companies complained that the re-refined oil companies were avoiding having to pay excise taxes, even though they claimed their oil was as good as unused oil.

Re-refined oil mixed with unused oil carried a 3-cents-a-gallon excise tax whereas unused oil bore a 6-cents-a-gallon tax when sold for off-highway machines. Despite warnings that the re-refining industry would be hurt, Congress approved rebates that gave back the oil excise tax to farmers and other off-highway users. By offering a 6-cents-a-gallon rebate the major oil companies cut into the re-refiners' price edge.

The big oil companies got even more important help from the Internal Revenue Service. The IRS ignored congressional concern over the refiners and ruled that the re-refined oil was "ineligible" for the tax rebate.

Also in 1965 the Federal Trade Commission required that re-refined oil be clearly labeled "previously used oil". The FTC decision was the culmination of efforts to deal with the varying quality of re-refined oil, a problem acknowledged by reputable re-refiners.

The combination of new labeling and loss of tax advantage was a severe blow to the industry. Now, 10 years later, there are only 40 re-refiners across the nation. As the industry slipped, the demand for waste oil went with it. Filling-station owners who once profited from old oil often had to pay to have it hauled away.

Old oil scavengers in many cities chose to dump it. Cleveland and Minneapolis were among the first cities to discover that waste oil in their sewer systems was disrupting sewage treatment plants. It remains a serious problem in many cities, the EPA says.

According to the EPA, one part of the waste oil is enough to foul the taste of a

million parts of water. The National Oceanic and Atmosphere Administration believes that waste oil, hardened by low ocean temperatures, is a major cause of oil globules polluting 700,000 square miles of ocean between Cape Cod and Caribbean.

With the onset of the oil shortage, more used oil—treated and untreated—is being mixed with fuel oil and burned for heat. But this use of waste oil releases metal oxides and other pollutants that can cause serious health problems.

As it stands now, automatic operations produce about 600 million gallons of waste oil a year. Another 400 million gallons come from industrial and aviation operations, and the EPA lists 100 million as coming from other sources.

About 480 million gallons are burned as fuel; 200 million gallons are used for use as lubricating oil. "The fate of 370 million gallons is unknown," the EPA reported to Congress last year. Both EPA and industry officials say they assume most of it is dumped.

In West Germany, where a shortage of oil has been a problem since the 1930s, almost one-third of the nation's lubricating oil comes from its re-refining industry. According to a study by William A. Irwin of the Environmental Law Institute, the Bonn government has implemented subsidies and laws designed to encourage the re-refining industry. Since 1963 it has also imposed restrictions and penalties to prevent waste-oil dumping in waterways, a step that has led to a further expansion of re-refining.

West Germany, France, Italy and other European nations started to provide incentives for their re-refining industries at about the same time the U.S. government's moves crippled domestic re-refiners. In France, the re-refining industry has pioneered a propane extraction system that is producing a reprocessed oil much higher in quality than products of the acid and clay process common to U.S. and some other European re-refining plants.

President Ford made no mention of re-refining oil in what was billed as "the most comprehensive energy proposals ever put forward by the government."

In Congress, little attention has been focused on providing incentives or subsidies for a potentially bigger and better re-refining industry that would produce high-quality products under uniform specifications.

The exception is Rep. Charles Vanik (D-Ohio) who has been a leading critic of the billions of dollars a year in tax subsidies to the big oil companies. Vanik, a member of the House Ways and Means Committee, favors repealing the 1965 tax laws and IRS rules that left re-refiners at a disadvantage against the big oil companies.

REPUBLICAN POLICY COMMITTEE
OPPOSES EMERGENCY HOUSING
BILL, H.R. 4485

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. CONABLE. Mr. Speaker, the House Republican Policy Committee met earlier this week to discuss the Emergency Middle-Income Housing Act of 1975. The statement the committee adopted appears below.

I am also inserting an article by Gene Meyer which appeared Wednesday, March 19 in the Wall Street Journal. It

describes the growing optimism in the housing industry now that ample mortgage money is becoming available. I commend it to my colleagues' attention:

EMERGENCY MIDDLE-INCOME HOUSING ACT OF 1975

The word "emergency" in the title of a bill usually signals legislation that contains costly, difficult-to-explain expenditures aimed at chancy goals. H.R. 4485 is well qualified to bear the title, "Emergency Middle-Income Housing Act of 1975." With it, the Democratic Majority has once again cranked up the printing presses in another counterproductive and expensive attempt to convince those who voted for them that they are hard at work achieving results in Washington.

This time, they have come up with a bill that commits the federal government to spending an imprecise amount—perhaps \$1.5 billion—to subsidize home-buying by the middle class. Families earning up to 120% of the median income in their area (\$21,000 in Washington, D.C., for example) would be eligible to receive government subsidies large enough to reduce their mortgage payments to the equivalent of 6 percent for the first three years or 7 percent over the life of the mortgage.

With home mortgages currently averaging 9 to 9½% and the housing construction industry at low ebb, this measure has a surface appeal. But closer scrutiny reveals serious problems:

The immediate effect of this bill will be to stop home-buying, not to stimulate it during the spring months which generally see a pick-up of housing construction. House passage is only the first step toward putting this program into existence. It may well be next fall before final regulations are drawn and mortgage money actually becomes available. Between now and then, however, potentially eligible families will postpone housing purchases until cheaper mortgages become available. The gap will temporarily bring the housing industry to a halt.

Nothing in the bill prevents buyers from reaping windfall profits by pocketing the interest subsidy when this assisted housing is resold at greater prices than originally paid.

H.R. 4485 requires no minimum buyer contribution. The family earning \$21,000 could get the same or greater subsidy as the family earning only \$10,000 or \$15,000. The arbitrary cut-off level means that the family earning \$1 over the 120% of the median qualifies for no assistance at all while the family earning \$1 less gets the full interest subsidy benefits. The wide geographical differences in median income mean that a taxpayer earning \$12,661 in San Antonio, for example, (where the 120% of the median is \$12,600) would have to pay market interest rates on his mortgage, and with his tax dollars, subsidize a home buyer making \$21,084 in the Washington, D.C. area (where the 120% of the median is \$21,085).

The 6% interest rate equivalent provided in the bill is unrealistically low. Conventional mortgages have not dropped to this level since 1966. At the end of January, \$3 billion in commitments for mortgages at 7¼% was grabbed by lenders under the government's current tandem plan. This 6% rate entices families to buy housing with government subsidies while keeping their savings in thrift institutions forced to pay interest on long-term accounts at 7% and even higher. Since thrift institutions cannot compete with 6% mortgages, pressure will build to extend the program indefinitely.

The bill excludes multi-family rental units, a type construction relied upon by millions of families. The emphasis on single-family homes means that cities, where there is little new construction of this type will not benefit from the bill, despite their need for new

housing stock and a long term energy situation that discourages commuting from distant suburban new single-family home sites.

If the principles applied in this bill to aid the construction industry spread to other high unemployment sectors of the economy—such as the auto industry—we might expect to see the government help all Americans earning less than 120% of the median income to buy cars. Is this a precedent we want to set?

Like virtually every other "temporary" government program, this one too will resist expiring on schedule—in this case June 30, 1976, a scant five months before elections and hardly a time to eliminate programs putting money in the pockets of voters.

The government has already made a substantial commitment to encouraging investment in home ownership. The fiscal 1976 budget projects a total government tax expenditure of \$11.8 billion through deductibility of mortgage interest and property taxes on owner-occupied homes. Just last October, Congress passed the Emergency Home Purchase Assistance Act of 1974; that measure plus still other prior programs have made some \$14 billion in subsidized commitments available for home buying. What potential home buyers truly need is not yet more government mortgage assistance, but rather a return to a stable, prosperous economy that would permit thrifty, industrious families to purchase modest homes without government intervention.

Rather than embark on yet another federal program of political appeal but questionable merit, we would favor the substitute measure supported by Republicans on the Banking, Currency, and Housing Committee. This substitute, offered by Rep. Garry Brown of Michigan, builds upon the 1974 Act rather than initiating an entirely new effort. It assists multi-family rental units and condominiums as well as single family dwellings. Interest rates would not exceed 7½ percent and would be lower only if the HUD Secretary sets a lower rate on unsubsidized FHA single family homes. This approach would be immediately available and require no lengthy start-up period, would help the entire home-building industry, and would avoid the many problems inherent in H.R. 4485.

Admittedly, extending and expanding an existing program to meet continuing needs is not as politically invigorating as launching an entirely new legislative and rhetorical vehicle. Congress is following a dangerous course in this regard. While the House is promising 6 or 7 percent mortgages, the Senate is raising the stakes by offering a flat \$2,000 tax credit to every homebuyer. If the Majority Democrats follow their accustomed pattern, compromise will consist of judiciously accepting both provisions. The American people simply cannot afford any more of these expensive political promises.

[From the Wall Street Journal, Mar. 19, 1975]

GOOD OMEN?—PEOPLE TAKE A LOOK AT NEW HOUSES AGAIN, AND EVEN BUY SOME

(By Gene Meyer)

NEW YORK.—Home buyers are straggling back to the market. Their return may stimulate the nation's lagging economy as they buy everything from new carpeting to new appliances for their new homes.

It may be months, however, before a pick-up in buying stimulates home builders. A huge number of unsold homes gluts the market. Overall, builders still are starting fewer new homes and will keep retrenching for a while, to judge—by building-permit figures released yesterday. (See story, page 3.) But sales of existing one-family homes, at least, definitely are creeping upward.

"We can't say for certain we're out of the woods. We're certainly not in good times yet, not back in the boom days," says Charles Rutenberg, chairman and chief executive of U.S. Home Corp., the nation's biggest home builder. "But there is very little question that the housing industry has bottomed out. The public is buying homes once again."

"I can only describe the housing market as ready to go," says George A. Christie, chief economist for McGraw-Hill's F. W. Dodge statistical division.

Last month U.S. Home took almost 700 orders for new housing units around the country—85% more than in January and three times as many as in December. And when it opened two model homes in Naples, Fla., several weeks ago, more than 1,000 people went to see them. Five bought in the first weekend. Generally, 100 to 150 visitors to such centers is a respectable weekend turnout in good times.

"TRAFFIC AND INTEREST ARE THERE"

Timothy Jones, a securities analyst for Faulkner, Dawkins and Sullivan, has talked to other big national builders in recent days. "The situation at the others is pretty much the same as U.S. Home," he says. "January was a very strong month and it seems to have gone into February. There's no question that the traffic and interest are there."

Malcom Prine, chairman and president of Ryan Homes, Inc., the national home builder based in Pittsburgh, says:

"We're moving from the dismal lows of November and December and have seen a significant increase in traffic in January and February. It's still below traffic level last year—roughly 10% less.

"But we've seen a bit of brightening in March. Apparently people seem to feel we aren't into a dark disaster after all. The more modestly priced, lower-cost housing is moving much better than the middle- and upper-priced."

Kaufman & Broad, the huge California-based national builder, says that in the first week of this month, 2,508 people turned out to look at their houses, still down from the 3,002 that showed up in the like week of 1974. But in the second week of this month, 3,708 people showed up, a big rise from 2,319 a year earlier. Sales figures for the two weeks aren't available.

CONDOMINIUMS HAVE NOT REVIVED

So far, the rise in traffic and sales has been felt almost entirely in the market for houses. With a few exceptions, the improvement hasn't extended to condominiums and co-ops.

Builders of all sizes are getting nibbles. Michael Sumichrast, economist for the National Association of Home Builders, says his group's monthly survey of builders' attitudes shows deep gloom in November and December and slight improvement in January—and in February, he says, "the gloom changed to hope."

This new hope came after 18 months of almost steady decline caused by the unavailability of mortgages, soaring interest rates, a gasoline crisis that kept buyers at home and concern about the economy. Reasons for the apparent revival range from buyers' hopes of picking up bargains in a sluggish market to the sudden availability of more mortgage money. The latter results from the decline in interest rates on bonds and on other money-market instruments. It now pays many investors to put money into savings banks and savings-and-loan associations, the main lenders of mortgage funds for housing.

THE TRADITIONAL CYCLE

When mortgage money becomes available after a scarcity, the resale market—the sale of already occupied homes—usually stirs first. In a number of areas in the past few

months, this has started. As the supply of older homes falls, buyers turn to unsold new homes. That started last month in some places. Finally, construction of new housing begins to pick up. So far, this hasn't happened yet. Housing starts in February continued to fall—if slightly.

Repeated predictions that the housing market would revive have turned out wrong in the past 18 months. Early last year, for example, many builders and securities analysts thought they saw an upturn in the market, and sales did pick up when gasoline got plentiful. But by mid-March last year, Federal Reserve Board policy sent interest rates skyward and choked off the supply of mortgage money. Home sales came to a near standstill and have stayed that way.

This time, housing specialists think their expectations are realistic. "Most of the conditions we need for a recovery have already been met—an inflow of savings to the savings-and-loans for several months, for example, which is needed to rebuild liquidity," says Mr. Sumichrast, the home builders' economist. Savings-and-loan institutions had a net inflow of some \$3 billion in deposits in January against a mere trickle, \$550 million, in December.

Furthermore, the Federal Reserve System isn't showing signs of tightening up again. And in Congress, several proposals to stimulate housing are in the works. Last week, for example, the Senate Finance Committee tentatively agreed to provide up to a \$2,000 tax credit for the purchase of a home between now and Dec. 1. While the break isn't included in a House bill and may not survive a Senate-House conference, "the possibility of a \$2,000 tax credit has a lot of shoppers looking," says Kenneth Campbell, editor and publisher of *Audit's Housing & Realty Investor*, an industry newsletter.

But so much money is flowing into savings institutions that the Ford administration and others doubt that a \$2,000 tax break is needed. And the administration, which had agreed to finance some \$7.75 billion in home mortgages, now has begun to pull back after committing some \$6 billion. The rest of the \$7.75 billion may not be funded.

Builders, meanwhile, clearly are more optimistic than they were a few months ago. "Builders have stopped cutting their plans for the future," Mr. Sumichrast says, "and have made selective plans for new starts." This isn't to say that starts will rise much, or even rise soon, he says; there are too many homes already built and unsold.

In normal times, according to Mr. Sumichrast, the number of unsold new houses is about one-sixth the annual rate of housing starts. He figures there now are some 400,000 unsold houses built and standing on their lots (not counting 250,000 or so unsold condominiums and co-ops). That 400,000 figure wouldn't be large if housing starts were running at a 2.4 million annual rate. But in February the seasonally adjusted annual rate was just 977,000, down slightly from January's 996,000 and not much higher than December's near record-low rate of 880,000 units. The February 1974 rate was 1,881,000.

Mr. Rutenberg of U.S. Homes concedes that existing new homes haven't yet been absorbed by the market. But he adds that if sales continue at their faster pace, his company will be building more homes by summer and will be "much more active" by fall.

The optimism isn't confined to national builders. "We're ahead of last year," says John Ward, marketing vice president of Ryland Group, a regional home builder based in Columbia, Md. In the first quarter of 1974 the company sold 242 homes in Baltimore-Washington, Atlanta, Houston and Dallas. This year's improvement has come mainly in the Baltimore-Washington market, "but

we've also seen a definite pickup in Atlanta and Houston," Mr. Ward says. He adds that Ryland is only a small factor in the Dallas market.

F. W. Dodge's Mr. Christie figures that an upturn in housing starts "is only a matter of a month or two away."

Commercial and industrial construction, however, still show scarcely a sign of revival. "Nonresidential building is likely to continue its decline for several quarters," Mr. Christie says, "and will rebound only after a more general recovery has taken hold in the economy."

Housing usually leads a general recovery, just as it usually leads a general decline. At the top of an economic cycle, high economic activity increases the demand for borrowed funds; interest rates climb, and the housing industry retrenches. At the bottom of a cycle, slow economic activity reduces the demand for borrowed funds; interest rates fall, and housing perks up.

IMPENDING BREAKDOWN OF OPEC CARTEL

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. DRINAN. Mr. Speaker, a very perceptive article in the *Wall Street Journal* for March 20, 1975, deserves the consideration of everyone who is a Member of the Congress.

Prof. Robert Z. Aliber, its author, teaches finance in the graduate school of business at the University of Chicago.

Professor Aliber's contention is that the oil cartel—the OPEC nations—is in the early stages of a breakdown. The author contends that this cartel will fall apart within the next several months when the members of OPEC prove "unable to share the necessary production cuts."

Professor Aliber makes an excellent point when he urges that—

The United States should indicate to selected oil producing countries that they will be granted favored access to the U.S. market in the next decade, but only with the proviso that they maintain their production (of oil) in the next few months.

Dr. Aliber is here referring to the fact that current OPEC output is estimated at 26 million barrels a day—11 million below the capacity of this oil producing cartel.

This important article follows:

IMPENDING BREAKDOWN OF OPEC CARTEL

(By Robert Z. Aliber)

The oil cartel is in the early stages of a breakdown. Crude petroleum prices are being lowered, both directly and indirectly, by individual producing countries seeking to increase their exports. In the next several months, the demand for OPEC-produced petroleum will decline sharply. The cartel will fall apart when its members prove unable to share the necessary production cuts.

For 15 months the demand for crude petroleum has been substantially smaller than the potential supply. Initially the embargo adopted during the Yom Kippur war forced consuming nations to adjust to contrived scarcity by queuing at gas pumps, lowering thermostats, and foregoing Sunday driving. Since the embargo was lifted, demand de-

clined in the face of recessions in the United States, Western Europe and Japan.

Two mild winters in succession reduced heating demand. The 1975 autos consume substantially less gasoline than the late 1960s' models now being junked. OPEC exports have declined even more rapidly than the demand in the consuming countries, in part because a few countries, including Mexico and Malaysia, have increased their production and exports.

Current OPEC output is estimated at 26 million barrels a day, 11 million below its capacity. In the months ahead, the heating demand will decline further, offsetting the increased automobile use during warm weather. Deepening of the recession means industrial demand also should decline, at least until autumn.

For most of the last year, production of petroleum exceeded consumption, even as demand fell, while petroleum in storage increased, both in traditional forms like tank farms and in non-traditional ones like ocean tankers and gasoline stations. At current rates, there are now 100 days of consumption in storage. A large inventory is necessary to keep pipelines full, and a smaller additional inventory is a useful contingency reserve. Over the last year, inventories above these two requirements have increased by a third.

At \$10 a barrel, these inventories are valued at \$50 billion. Any fall in the market price means owners of petroleum will incur losses; if the price falls to \$8 a barrel, they will be poorer by \$10 billion. Despite their vested interest in maintaining the current price level, owners of inventories will begin to convert oil into money when they anticipate a price decline.

A decrease of petroleum in storage by one day's consumption over a month means OPEC production would fall by two million barrels a day. A reduction of the excess inventory by one-third over the next four months translates into a decline in OPEC exports of five million barrels a day. The more rapidly the price is expected to fall, the more rapidly inventories will be reduced, and the lower the demand for newly produced oil.

THE VALUE OF MONEY

As it becomes apparent that the price of crude petroleum will decline, some members of the cartel, especially the smaller producers, also will convert oil into money. In 1975, money in the bank will earn interest income at the rate of 6% or 8% a year. Oil held in the ground, in contrast, will have a negative rate of return, since the market price at the end of 1975 will be below the price at the end of 1974.

Individual OPEC countries will lean more heavily on the multinational oil companies to buy more oil, for oil not sold in 1975 and 1976 may not be sold until the distant future. The multinationals, however, will buy petroleum only if they can sell it, so they will play musical chairs with various supply sources, increasing their purchases from countries which offer discounts, rebates, and other concessions from the posted price. While individual OPEC countries can increase their exports, OPEC countries as a group cannot—at least not until a business upswing occurs.

As demand declines in the next six months, maintenance of the \$10 price could require reduction of six million to eight million barrels a day in OPEC production. These cutbacks must somehow be distributed among OPEC members. A few countries already have reduced production substantially. Libya now produces less than 900,000 barrels a day, whereas its peak output exceeded two million. Similarly, Kuwait, which has a daily capacity of nearly four million barrels, has been producing two million barrels. Both countries appear reluctant to reduce their

output further. The poor, heavily-populated countries like Indonesia and Nigeria are unlikely to make substantial cutbacks. Iraq has been loud in its support of OPEC, but its output in January exceeded the pre-embargo level.

Increasingly, maintenance of the current price will require larger cutbacks by Iran, Saudi Arabia and Venezuela. In January, the daily output of these three countries totaled 16 million barrels a day. Reduction in demand has already forced Iran to reduce its output by 10%, Venezuela by 20% and Saudi Arabia by 30%. These three countries might be required to cut back twice as much in the next few months to match even further reduction in demand.

Two sets of events, separately or in combination, may upset this scenario for the demise of the cartel. The estimated decline in petroleum demand during warmer weather, the impact of the recession and inventory reduction may be overstated. And the cartel may be effective in allocating reductions in output among its members. As long as the members were rich, such allocations were easy. But individual countries are not likely to abide by the commitments if they expect the price to fall. Cartels have their momentum; they work when their members believe they will work and fold when that belief is eroded.

The announcement from the recent meeting in Algiers that the OPEC producers would like to enter into long-term agreements about price and supply arrangements reflects their sensitivity to the weakness of their economic position. If the demand for petroleum proves unexpectedly strong, then they would break the agreements, as they have in the past. If the demand for petroleum proves as weak as they expect, they would count on the United States and other importing nations to abide by its commitments.

INCREASING TARIFF BARRIERS

The OPEC countries recognize that their ability to export petroleum will be increasingly constrained in the next few years as the energy markets in various industrial countries become increasingly segmented from the world market. The United States will apply tariffs or quotas to imports, much as in the 1960s, and the U.S. price will be substantially above the world price. Similarly, the British home market will be protected from low-cost Middle East imports so that North Sea producers will be able to recover the high costs of offshore drilling. In Continental Europe, and Japan, similar import-limiting measures will be adopted to reduce dependence on foreign sources of energy.

The growth of such barriers to imports will increasingly fence off OPEC supplies and the OPEC countries will find themselves with more oil than markets. At that stage, access to markets in the developed countries will be very valuable, and OPEC countries will compete aggressively for market shares.

For the next several months, the United States faces a policy dilemma. Is it worthwhile to adopt a \$3 tariff on imported petroleum? Or set quotas to reduce imports by half-million barrels a day? Or impose a gasoline tax of 15 cents or 20 cents a gallon? Or adopt measures designed to increase domestic energy supplies? Should any of these policies be followed, given that the world price could fall sharply? Similarly, is it worthwhile for the United States to enter into long-term supply agreements with various oil exporters?

OPEC's ability to maintain the price over the next few months does not depend on whether the U.S. adopts import tariffs, quotas, gasoline taxes or domestic production subsidies. They will have only a modest impact in altering demand-supply relations in the near future. Instead, policy should focus on two other measures:

The U.S. should indicate to selected oil producing countries that they will be granted favored access to the U.S. market in the next decade, provided they maintain their production in the next few months. In late 1972, Saudi Arabia's oil minister Ahmed Zaki Yamani suggested an assured access arrangement, but Washington should link any such assurances to minimum production guarantees.

Further, Washington might also encourage companies to reduce their petroleum in storage. It could nudge the price downward by buying oil for auction to distributors; the price decline, by indicating the vulnerability of the petroleum inventory, would induce owners to reduce their stocks. While the Treasury would incur a financial loss from this anti-stockpiling tactic, consumers would benefit from lower prices. More importantly, as owners of the inventory reduced their stocks, this would sharply increase pressures on the cartel, which also would result in lower prices to consumers.

RURAL HEALTH CARE DELIVERY IMPROVEMENT ACT OF 1975

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. CARTER. Mr. Speaker, in recent years the Congress has weighed the merits and demerits of a number of across-the-board proposals designed to solve the problems inherent in our complex health delivery system.

It is tempting, I must admit, to entertain the notion that these problems can all be solved with one monumental legislative solution.

It is tempting, Mr. Speaker; but I submit that such a course is ill-considered, simplistic, and dangerous. And I submit that it cannot work.

Our health care system is incredibly diverse. We deliver care to the patient in a variety of ways. This is the strength of the system: that it is flexible; that it accommodates to the widely differing needs of our communities.

I do not mean to imply by that observation a system perfect of its kind—one that should be immune to change, because there is no need for improvement.

Improvements are indeed necessary. But in our desire to make them, let us not recreate the bed of Procrustes, who accommodated guests too tall by sawing off their legs; and guests too short by stretching them on the rack. The achievement of symmetry by such devices is hard-won at best and is never much to the satisfaction of anyone besides Procrustes himself.

The need to design Procrustean proposals is usually justified by the assertion of a crisis—from which it follows that crisis action must be taken. From there it is only a hop, step, and jump to megaproposals which promise much and change little.

I suggest, Mr. Speaker, that before we proceed to a consideration of omnibus proposals, we rather carefully select our targets.

One such target is the problem of health delivery in rural America.

That problem can hardly be called inconsiderable.

It affects the lives of some 54 million rural Americans.

In our approach, we must not lose sight of these figures from the Department of Agriculture. Let me quote them to you:

Poverty in rural America dominates the lives of 12 million people . . . or 17 per cent of the rural population as a whole. One out of six people in rural areas lives in poverty, compared with one of ten in urban areas.

I remind my friends that we presently have a variety of programs whose purpose it is to improve the quality of life in rural America.

It is not a shortage of programs that must concern us here.

Further, the Government has most of the funds needed to create public programs; and it has a long record of general rural assistance—farm loans, price supports, and agricultural extension services, for instance—from which to proceed in the area of rural health.

But Government cannot, and should not, be expected to go it alone. It cannot and should not if it expects to succeed. Government must draw on the enthusiasm, energies, and knowledge of physicians, farm groups, businessmen, trade unions, consumer groups, individuals, colleges.

With them, it should develop a coherent strategy for tackling the many problems that now beset so many of our rural communities.

I am calling then, for a national strategy, Mr. Speaker, and, I am also arguing that our national strategy be thought out thoroughly in advance; that it be realistic as well as ambitious; and that it be practical, not abstract.

It does us no good, for example, to make rural health care more commonly available if we do not, at the same time, make it more easily accessible. What good is the finest modern, central clinic if the people it is designed to serve cannot get to it, because they lack the means of transportation?

It has been this sort of thinking on my part, and on the part of many of my medical colleagues experienced in the problems of rural health care delivery, that leads me to introduce the Rural Health Care Delivery Improvement Act of 1975.

This measure would have the Congress find that there is an urgent need for the development and improvement of rural health care delivery; that availability of health services in many rural areas is below that of the Nation as a whole; that although present Federal programs are applicable to rural health, there has been no centralized focus on the health needs of rural areas; that community health programs can best be planned and implemented at the community and regional level with coordination at community, regional, State, and National levels; that there is a need for feasibility studies, development, and demonstration of rural health care delivery models and components; that recognition by rural communities should be given to the fact that rural health resources are limited and that consequently, alternative rural health

care delivery models and components should be developed and tested; and that experimental and developmental rural health care delivery models and/or components should be developed with a view to becoming financially self-sustaining within 3 years.

The bill, therefore, calls for the establishment of a Federal entity within the Department of Health, Education, and Welfare with the authority to coordinate Federal activities, review existing programs, and initiate demonstration projects and programs which can improve rural health care delivery.

The Office of Rural Health, as this entity would be called, would be administered and run by a director appointed by the Secretary. The director would be a qualified health care professional.

He would be authorized to award grants, contracts, loans, and loan guarantees for projects to examine existing models of rural health care delivery, to determine their applicability to other rural areas, and to assist in the study, planning, development, experimentation, and demonstration of rural health care delivery models.

The bill would also establish an 11-man Rural Health Care Advisory Committee which would advise the Director and make recommendations to him with respect to overall planning, policies, objectives, and priorities. The committee would consist of six doctors of medicine, one of whom could be a doctor of osteopathy, knowledgeable in rural health care delivery; one dentist; and five recognized authorities in rural health care delivery.

The bill would authorize \$75 million for the fiscal year ending June 30, 1976; \$100 million for the fiscal year ending June 30, 1977; and \$125 million for the fiscal year ending June 30, 1978.

Herewith, Mr. Speaker, is the bill in detail:

H.R. 5236

A bill to establish an Office of Rural Health within the Department of Health, Education, and Welfare, and to assist in the development and demonstration of Rural Health Care Delivery Models and Components

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. That this Act may be cited as the "Rural Health Care Delivery Improvement Act of 1975".

FINDINGS; DECLARATION OF POLICY AND PURPOSE

SEC. 2. (a) The Congress finds—

- (1) that there is an urgent need for the development and improvement of rural health care delivery in many areas throughout the nation;
- (2) that availability of health services in many rural areas is below that of the nation as a whole;
- (3) that although current authorized Federal programs are applicable to rural health, there has been no centralized focus on the health needs of rural areas;
- (4) that community health programs can best be planned and implemented at the community and regional level with coordination at community, regional, state, and national levels;
- (5) that there is a need for feasibility studies, development, and demonstration of rural health care delivery models and components;

(6) that recognition by rural communities should be given to the fact that rural health resources are limited and that consequently, alternative rural health care delivery models and components should be tested and developed; and

(7) that experimental and developmental rural health care delivery models and/or components should be developed with a view to becoming financially self-sustaining within three years.

(b) It is the policy of the Congress and the purpose of this Act to provide assistance to programs for the delivery of health services in order to increase the availability of health care services to residents of rural areas. This purpose should be achieved through the establishment of a Federal entity within the Department of Health, Education, and Welfare having the authority to coordinate Federal activities, review existing programs, and initiate demonstration projects and programs which can improve rural health care delivery.

ESTABLISHMENT OF OFFICE OF RURAL HEALTH

SEC. 3. There is established within the Department of Health, Education, and Welfare, an Office of Rural Health. The Office shall be administered and headed by a Director who shall be a qualified health care professional, appointed by the Secretary.

DIRECTOR OF THE OFFICE; TECHNICAL AND PROFESSIONAL PERSONNEL

SEC. 4. (a) The Director of the Office of Rural Health, under the general direction and supervision of the Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary"), shall carry out the functions and responsibilities vested in him or to the Office by or under this Act, and shall perform such related duties as may be prescribed by the Secretary to carry out the purposes of this Act.

(b) The Director shall receive basic pay at the rate prescribed for level V of the Executive Schedule under subchapter 11 of Chapter 53 of title 5, United States Code.

(c) The Director shall appoint in addition to the regular personnel of the Office under his direction and control, such technical and professional personnel and consultants as are necessary to carry out the functions of the Office, in accordance with the provisions of title 5, United States Code, governing appointments in the competitive service or the provisions of Chapter 51 and subchapter III of Chapter 53 of such title relating to classification and General Schedule pay rates.

(d) Such technical and professional personnel and consultants shall include specialists in the health professions as well as specialists in environmental health, community organization, communication, transportation, and such other areas as the Director deems appropriate.

DIRECTOR'S AUTHORITY

SEC. 5. (a) The Director shall have the authority to award grants, contracts, loans, and loan guarantees for projects to examine existing models of rural health care delivery, to determine their applicability and transferability to other rural areas, and to assist in the study, planning, development, experimentation, and demonstration of rural health care delivery models and/or components. Except in the case of assistance for feasibility studies, assistance shall be provided only when the Director has determined that such assistance is likely to further the goal of increasing the availability of health care services in rural areas where the Director has determined that adequate services are presently not available. In determining the eligibility of any entity (which term shall include an individual) for assistance for improving the availability of health care services in a rural area, the Director will consider the extent to which the entity will incorporate in its activities one or more of the following:

(1) identification of the demographic and geographic characteristics which categorize an area as rural, including the definition and delineation of health service areas;

(2) identification of beneficial (including new and innovative) health components of various types of rural health care delivery models, and utilization of such components in increasing availability of health care services;

(3) identification and utilization of transportation modes appropriate in achieving the goal of making health care services available to residents of rural areas;

(4) identification and utilization of appropriate communications in rural areas;

(5) determination and utilization of economically feasible uses of biomonitoring technology;

(6) emergency medical care components and systems available to meet the special problems of the rural areas;

(7) education programs in rural areas, including health and nutrition education, as well as continuing education for health professionals;

(8) experimentation in appropriate linkages with regionalized health programs and facilities in its and other rural areas, and with health programs and facilities in urban areas;

(9) development of community planning mechanisms so that the communities can develop health care delivery models appropriate to their needs;

(10) provision for community support for appropriate health care delivery models and/or components including necessary staffing, construction, and equipment; and

(11) identification and utilization of appropriate dental services for rural areas.

(b) No assistance shall be provided to any project under subsection (a) above unless the Director has satisfactory evidence indicating that the type of project being assisted will be transferrable or adaptable to other rural areas.

(c) No assistance shall be provided to a project under subsection (a) above unless the project, in accordance with regulations prescribed by the Director, provides for periodic evaluation of the effectiveness of the project in meeting its purposes.

(d) Any assistance provided under subsection (a) above, may also include support for staffing, construction, and furnishing of necessary equipment. Staffing assistance would be limited in the first year to 90 per centum of such costs, to 60 per centum of such cost in the second year, and to 30 per centum of such cost in the third year.

(e) The Director shall—

(1) provide liaison among all agencies and instrumentalities of the Federal Government for the purpose of coordinating health care programs in rural areas;

(2) make a periodic evaluation of other Department of Health, Education, and Welfare programs relating to health care in rural areas, including development of adequate manpower and to make periodic recommendations to the Secretary;

(3) provide technical assistance and advice for the development of rural health care delivery models and/or components including such assistance and advice to health providers, and including such assistance to expand existing or develop new medical groups in rural areas;

(4) provide for evaluation of the projects assisted under this Act in order to insure that the projects are carried out in conformance with the application for the assistance and in conformance with regulations of the Director;

(5) provide for the coordination of programs and projects assisted under this Act with programs and projects of the National Health Service Corps to the end that the development and expansion of private medical care will be encouraged.

Sec. 6. Agencies and departments of the Federal Government are hereby authorized by this Act to enter into contracts with the Office of Rural Health to enable the Office of Rural Health to carry out provisions and/or functions authorized by law dealing with rural health care delivery or development.

AUTHORIZATION OF APPROPRIATIONS

Sec. 7. (a) For grants and contracts, as authorized by Sections 5 and 9, there is authorized to be appropriated the sum of \$75,000,000 for the fiscal year ending June 30, 1976, the sum of \$100,000,000 for the fiscal year ending June 30, 1977, and the sum of \$125,000,000 for the fiscal year ending June 30, 1978.

(b) Any amounts appropriated pursuant to this section shall remain available until expended and any amounts authorized for any fiscal year under this section but not appropriated, may be appropriated for any succeeding fiscal year commencing prior to July 1, 1978.

LOAN GUARANTEES AND LOANS

Sec. 8. (a) The Director may not approve the application for assistance under this Act unless—

(1) he determines, in the case of a loan for which a guarantee is sought, that the terms, conditions, maturity, security (if any), and schedule and amounts of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable and in accord with regulations, including a determination that the rate of interest does not exceed such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States;

(2) the term of a loan for which a guarantee is sought does not exceed fifteen years or such shorter period as the Secretary prescribes; and

(3) he obtains assurances that the applicant will keep such records, and afford such access thereto, and make such reports, in such form and containing such information, as the Secretary may reasonably require.

(b) Guarantees of loans under this section shall be subject to such further terms and conditions as the Secretary determines to be necessary to assure that the purposes of this part will be achieved, and, to the extent permitted by subsection (d), any of such terms and conditions may be modified by the Secretary to the extent he determines it to be consistent with the financial interests of the United States.

(c) In the case of any loan guaranteed under this section, the United States shall be entitled to recover from the applicant the amount of any payments made pursuant to such guarantee unless the Secretary, for good cause, waives his right of recovery, and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

(d) Any guarantee of a loan under this section shall be incontestable in the hands of an applicant on whose behalf such guarantee is made, and as to any person who makes or contracts to make a loan to such applicant in reliance thereon, except for fraud or misrepresentation on the part of such applicant or such other person.

(e) The cumulative total of the principal of the loans outstanding at any time with respect to which guarantees have been issued, or which have been directly made, under this section may not exceed such limitations as may be specified in appropriations Acts.

(f) (1) (A) There is hereby established in the Treasury a rural health care delivery loan guarantee and loan fund (hereinafter

in this section referred to as the 'fund') which shall be available to the Secretary without fiscal year limitation, in such amounts as may be specified from time to time in appropriations Acts, (1) to enable him to discharge his responsibilities under guarantees issued by him under this section, and (2) for direct loans to public entities. There are authorized to be appropriated to the fund from time to time such amounts as may be required for the fund. There shall be deposited in the fund amounts received by the Secretary as interest payments or repayments of principal on loans and any other moneys, property, or assets derived by him from his operations under this section, including any moneys derived from the sale of assets.

(B) Of the moneys in the fund there shall be available to the Secretary for the purpose of making direct loans to public entities only such sums as are appropriate for such purpose, or sums received by the Secretary as interest payments or repayments of principal on such loans and authorized in appropriations Acts to be used for such purpose.

(2) If at any time the moneys in the fund are insufficient to enable the Secretary to discharge his responsibilities under this section to meet obligations under guarantees of loans under subsection (a), he is authorized to issue to the Secretary of the Treasury notes or other obligation in such forms and denominations bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under The Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act, as amended, are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Secretary from such fund.

(g) (1) (A) Any loan by the Secretary under this section shall bear interest at a rate comparable to the current rate of interest prevailing with respect to loans which are guaranteed under subsection (a).

(B) No such loan may be made unless—

(i) the Secretary is reasonably satisfied that the applicant therefor will be able to make payments of principal and interest thereon when due, and

(ii) the applicant provides the Secretary with reasonable assurances that there will be available to it such additional funds as may be necessary to complete the project with respect to which such loan is requested.

(C) Any such loan shall have such security, have such maturity date, be repayable in such installments, and be subject to such other terms and conditions (including provisions for recovery in case of default) as the Secretary determines to be necessary to carry out the purposes of this title while adequately protecting the financial interests of the United States.

(D) No such loan shall have a term in excess of fifteen years.

(2) The Secretary may, for good cause, waive any right of recovery which he has by reason of the failure of a public organization to make payment of principal and interest on a loan under this section.

GRANTS, CONTRACTS, LOANS, AND LOAN GUARANTEES

Sec. 9. (a) The Director may make grants to public and nonprofit private entities, may enter into contracts with public and private entities and individuals, and the Secretary may provide loans to public entities, and may provide loan guarantees to private entities and individuals, for projects described in Section 5.

(b) No grant, contract, loan, or loan guarantee may be awarded under this Act unless an application therefor has been submitted to and approved by the Director, and the Rural Health Care Advisory Committee, nor shall any such assistance be awarded without the approval of the appropriate state and local medical society. Such an application shall be in such form and submitted to the Director in such manner as the Secretary shall by regulation prescribe. In order to be approved, an application shall include assurances to the satisfaction of the Director that existing facilities and services will be utilized to the maximum extent feasible, and shall contain information such as the Secretary shall by regulation prescribe. This shall include assurances satisfactory to the Director that the applicant is qualified to carry out the provisions outlined in the application and that the program will be conducted in cooperation with the planning entity referred to in section 10.

Sec. 10. The Director may not approve an application under this Act unless the planning agency referred to in section 314(b) of the Public Health Service Act, or if there is no such agency or organization, then the state planning agency referred to in section 314(a) of the Public Health Service Act has been provided an opportunity in accordance with regulations of the Secretary, to review the application and to submit to the Director for his consideration its recommendations respecting approval of the application.

Sec. 11. Payment may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Director finds necessary.

Sec. 12. Contracts may be entered into under this Act without regard to Sections 364(b) and 3709 of the Revised Statutes of the United States (31 U.S.C. 529, 41 U.S.C. 5).

RURAL HEALTH CARE ADVISORY COMMITTEE

Sec. 13. There is established a Rural Health Care Advisory Committee which shall advise, consult with, and make recommendations to the Director with respect to overall planning, policies, objectives and priorities for the Office of Rural Health and the general administration of the program created under this Act. The Committee shall consist of eleven members, appointed by the Secretary, who by virtue of their education, training, or experience are qualified to carry out the functions as members of the Committee. Of the members so appointed, six shall be Doctors of Medicine, one of whom may be a doctor of Osteopathy, knowledgeable in rural health care delivery, one shall be a Dentist and the remainder shall be persons who are recognized authorities in rural health care delivery. The Secretary shall designate one member of the Committee to be Chairman of the Committee and the Committee shall meet at the call of the Chairman but not less than four times year.

(b) (1) The Committee shall conduct a study and shall within eighteen months after its appointment, and annually thereafter, submit to the Secretary and to the Congress

a report on the accomplishments of this Act in meeting the goal of increasing the availability of health care in rural areas and also with respect to the need for continued assistance under the Act. The Committee shall include recommendations for legislative and administrative modifications as it determines appropriate to further the purposes of this Act.

(c) Members of the Committee (other than members who are fulltime officers or employees of the United States) shall, while serving on business of the Committee, be entitled to receive a per diem allowance for grade GS-18 of the General Schedule. Each member of the Committee, while so serving away from his home or regular place of business, may be allowed actual travel expense and per diem in lieu of subsistence as authorized by section 5709 title 5 of the United States Code for persons in the Government service employed intermittently.

MAOISTS PLAN ATTACKS ON UTILITIES IN SUPPORT OF AFRICAN TERRORISTS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. McDONALD of Georgia. Mr. Speaker, Maoist Communist groups have been active against utilities owned by the Southern Co. since last summer when the company announced the signing of a 3-year contract to import coal for use in its Florida power generating plants.

Local Maoist groups and coalitions in Birmingham, Mobile, and Atlanta immediately organized demonstrations and picket lines, in their words, to link "the struggles of United States and South African working people against their common enemy, U.S. imperialism."

I would note that the Communists' "anti-imperialist" campaigns are based on Lenin's precept that imperialism is the "highest stage" of capitalism.

During 1974, the two most vocal organizations involved in the coal protests were the Birmingham Coalition To Stop South African Coal, in which the Revolutionary Union plays the leading role; and the Atlanta Stop the Coal Coalition, in which the October League, the chief rival of the Revolutionary Union, sets policy.

Among the other organizations active in the Atlanta Stop the Coal Coalition are the African Liberation Support Committee—ALSC; the Black Labor Action Committee—BLAC; the October League's Atlanta Labor Action Alliance—ALAA—which was formerly known as the Atlanta Strike Support Committee; the Southern Conference Educational Fund—SCEF, a former operation of the Communist Party, U.S.A., which was taken over in 1973 by a Maoist-dominated coalition; and the self-admittedly socialist Georgia Power Project—GPP.

After a series of preliminary planning conferences coordinated by SCEF, approximately 150 members and supporters of militant groups who follow the Maoist variety of communism met in closed sessions in Atlanta, February 1-2, 1975, to organize the structure and policies of a new southwide coalition designed to

block the import of South African coal by the Southern Co. and to organize support for guerrillas in Africa.

The conference call was initiated by the Southern Conference Educational Fund and was endorsed by the African Liberation Support Committee, an eclectic, nationally active coalition of Negro "cultural nationalists" and Marxist-Leninists.

The call was not widely distributed nor publicized, but was sent only to those "who can unite around, first, showing the connection between the struggles of workers and oppressed peoples in the United States and Southern Africa; second, concrete support for the liberation struggles in Southern Africa; third, relating the coal imports to the current crisis of imperialism."

The "imperialist press" was not invited, nor were representatives of rival Communist factions. When alert, patriotic constituents informed me of this radical meeting and the veil of secrecy was pulled away, its organizers responded with some Orwellian "doublethink" that the meetings were not secret, but would be open to prescreened reporters who would agree to report the conference favorably.

Among the groups represented at the Stop the Coal conference were:

The October League, Marxist-Leninist (OL).

The Revolutionary Union (RU).
Southern Conference Educational Fund (SCEF).

Workers World Party (WWP).
Iranian Student Association (ISA).
American Committee on Africa (ACOA).
African Liberation Support Committee (ALSC).

Black Workers Congress (BWC).
People's Community Hall, Mobile, Alabama.
Selma Project, Birmingham, AL.
New Orleans Strike Support Committee.
United Farmworkers Support Committee, Tampa, Fla.

African People's Socialist Party, Gainesville, Fla.
Nashville Black Labor Alliance.

Student Anti-Imperialist League, Tallahassee, Fla.

Committee for Prisoner Support, Birmingham, Ala.

Birmingham Coalition to Stop South African Coal.

Malcolm X United Liberation Front, Fla.
Tallahassee Anti-Repression Coalition.
Philadelphia (Pa.) Coalition to Stop Rhodesian and South African Imports.

Baltimore (Md.) Coalition to Stop Rhodesian and South African Imports.
Tallahassee Socialist Group.

Black Military Resistance League, Norfolk, Va.

Revolutionary Student Brigade, the RU youth group.

The Organizing Conference to Stop South African Coal took place in the Phyllis Wheatly YWCA in Southwest Atlanta. The keynote speaker at the conference was Tapson Mawere, the U.S. representative of the Zimbabwe African National Union—ZANU—who lives in New York City.

ZANU, whose leaders proclaim Marxism-Leninism-Mao Tse Tung thought as its guiding principles, was formed in 1963 by a Rev. N. Sithole in Rhodesia. Since that time, ZANU has engaged in terrorism against both black and white

inhabitants of Rhodesia. ZANU guerrillas have received training in China, Algeria, and Ghana; and claim to have established "liberated zones" where cadre schools and military training activities can operate without interference from the Rhodesian Government.

The terrorist spokesman Mawere called for a boycott of all imports from Southern Africa and noted that while a boycott of South African coal would not greatly affect that country's economy, but could act as a "wedge" around which international solidarity against South Africa. He called for a boycott of all Rhodesian products, especially chrome ores and asbestos, which he asserted would quickly cripple the Rhodesian economy.

The entire conference was marked by bickering on minor issues among the major Maoist sects present, especially between the October League and the Revolutionary Union. Eventually in a unity move, a position paper prepared by the Atlanta chapter of the ALSC was accepted as the basis for future actions. Excerpts from this document are appended.

I want to point out that America's privately owned public utilities have been the target for a broad range of protest groups for some time. The Southern Co., the sixth largest utility in the United States, and its Georgia subsidiary, the Georgia Power Co., have been the target of an avowedly socialist group, the Georgia Power Project, which hopes to bankrupt the company by organizing mass protests against necessary rate hikes and thereby force eventual nationalization of the utility as a first step toward socialism.

The Maoist campaign against the utility is a part of a similar strategy. By stopping the import of lower cost coal, the Southern Co. will be forced to spend millions of dollars additionally. In a side benefit, the South African coal is low in sulfur and relatively nonpolluting, thereby saving the Southern Co. the cost of installing costly emission control devices.

The various groups at the conference spelled out the goals as educating "the American people about the nature of imperialism;" "building internationalism among the American workers and people;" and developing "the consciousness and fighting ability of the workers, oppressed peoples, and the American people in general."

While the liberal groups targeted for inclusion in the united front coalition did not attend the conference—after it had received critical publicity in the Rome News-Tribune—the Maoist radicals have stated that rank-and-file miners groups, union officials, consumer groups, and other progressive forces—such as liberal churches, students, community organizations, et cetera will be approached for inclusion in the united front coalition.

It remains to be seen how many of the progressive forces will be drawn in to act as the willing dupes of the Maoists in their fight against capitalism and support of African guerrillas.

The excerpts follow:

MAOISTS PLAN ATTACKS ON UTILITIES IN SUPPORT OF AFRICAN TERRORISTS

The attempt of the Southern Company to import South African coal is a direct indication of the crisis of imperialism. The response to the Southern Company on the part of all those who wish to struggle against it, should be clearly understood as an action against the capitalist and imperialist system. Imperialism is at the heart of the exploitation of Black workers in South Africa and the American toiling masses. Our activity should be geared to unite as many forces as possible around a conscious, anti-imperialist program. While we do not see it necessary that all who would initially join the struggle would be consciously anti-imperialist, we do see it as our responsibility to give focus and direction to our work so that everyone will be educated as to the oppressive, exploitative, and vicious nature of imperialism and monopoly capital. As well, the struggle against importation of South African coal will lead into other areas of the crisis of imperialism such as unemployment, inflation, rising prices of utilities in general, national chauvinism, political repression, etc. The responsibility of this combination of forces is to follow where the logic of the struggle against imperialism leads, wherever it leads.

It is in this spirit that African Liberation Support Committee, Atlanta, puts forth a concrete program to Stop the Coal!

STRATEGY

We aim to expose the imperialist U.S. in its aggressive plunder, exploitation, and oppression of the worlds people at home and abroad, particularly as manifested in this South African situation. We would further, in the course of this, aim to expose the agents of, and the conciliators and collaborators with the U.S. bourgeoisie, from the State Department to the trade union bureaucracy.

We call for the broadest possible combination of forces to Stop South African Coal, the composition of which should be from all sectors of the population who oppose imperialism generally, and who oppose the importation particularly.

TACTICS

The following tactical recommendations should be accomplished through consistent well planned oral and written agitation and propaganda, demonstrations, mass mobilizations, forums, media, direct appeals, personal contacts, etc.

1. Working class and consumers

To get the longshoremen to refuse to unload the coal.

To engage in direct agitation at the generating plants where coal is burned.

To get workers to confront their unions to take a stand against the importation.

To appeal to the national and class consciousness of workers, organized and unorganized, in committees and caucuses to actively support the campaign, to educate them as to the reason for the "conditions of life" of South African workers and workers in the U.S.

To organize a campaign among consumers in the 5 state area to write Dont Buy South African Coal on their light bill.

To make Georgians aware that Georgia Power Company is indirectly asking them to support the oppression and exploitation of black mine workers, by importing the coal.

2. Legislation

Request that Congressman Diggs, House Chairman of the Sub-Committee on Africa, introduce legislation demanding to Stop the Coal.

Request that Diggs put before the Congressional Black Caucus, the necessity to oppose, by every political means, the importation of the coal.

Initiate among the people a letter campaign to Congressmen to Stop the Coal.

3. Mass activity

Demonstrations at public service commissions.

Mass picket lines at the docks, generating plants, power companies, etc.

Education and agitation by way of forums, attending community meetings, etc.

4. Student mobilization

University students agitation and demonstrations against schools holding stock in Southern Company.

5. Media exposure

Radio, T.V. appearances, newspaper articles. The latter should be particularly directed towards anti-imperialist newspapers as well as those of the liberation movements of Southern Africa.

6. Local agitation

Letter campaigns challenging power rate increases and connecting it with the importation of the coal.

Writing Don't Buy the Coal on light bills.

A massive post card campaign against the importation of the coal.

7. International appeal

Communication with the United Nations Committee Against Apartheid to discuss combined effort to oppose the importation, etc.

Appeal for support from those progressive, anti-imperialist African and Asian students in the U.S., i.e. Iranian, Ethiopian, and Southern African students.

STRUCTURAL RECOMMENDATIONS

A Steering Committee to coordinate all necessary communication and all activities between the five state region, to further develop programs, and to publish a bimonthly newsletter keeping all members informed of developments, progress, etc.

The Steering Committee would further be responsible for all liaison activities necessary between us and the United Nations. Congressman Diggs, and like forces, functioning in the capacity of official spokesmen.

We recommend that the Steering Committee be elected at the conference, and soon after convene a state-wide conference to organize work around the issue on a state-wide basis.

We further recommend that a state representative be elected onto the Steering Committee.

GREEK ORTHODOX CHURCH OPENS CENTER

HON. JACK EDWARDS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. EDWARDS of Alabama. Mr. Speaker, on May 5, 1974, it was my pleasure to participate in the ground-breaking of the Hellenic Community Center—the educational and recreational center of the Annunciation Greek Orthodox Church in Mobile, Ala., along with His Grace Bishop Iakovos of Catania, Diocesan Bishop; the parish priest, Rev. Fr. Dimitrios Simeonidis, the parish president, Mr. Alex H. Zavros; the building committee chairman, Mr. George C. Panayiotou; the church benefactors and parishioners.

The center was constructed in rapid time and is now completed. It is a beau-

tiful building, which is highly functional and serves the Greek community of Mobile in a fine way.

Recently, I was invited to return to speak in this magnificent center about my trip to Greece last January. I am most impressed by the tremendous concern on the part of the Greek people of my district with the plight of the people of Cyprus. But even more than that, I am impressed about their general interest in our country at all levels of government.

The Greek community of the First District of Alabama is made up of good citizens. I am proud to claim them as my friends. If all citizens took as much interest in the affairs of this Nation as they do, public apathy would vanish overnight.

SHOWDOWN WITH PUBLIC TELEVISION

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. CLAY. Mr. Speaker, public television has the responsibility to serve, entertain, and educate all segments of the community in which it operates. WNET-TV, as well as other public television stations, has failed in this regard. Its failure to live up to the purposes for which it was conceived and licensed is incomprehensible, especially when one realizes that it is financed entirely with public moneys and the contributions of citizens in the community which it serves.

WNET-TV's misinterpretation and misunderstanding of its mission is clearly outlined in the dissenting statement of Mr. Benjamin J. Hooks before the Federal Communications Commission. A copy of his statement follows:

DISSENTING STATEMENT OF COMMISSIONER BENJAMIN L. HOOKS

In Re: WNET-TV, Public Television.* Complaint of the Puerto Rican Media Action and Educational Council.

WNET, the radiant jewel in the public television's crown, is unquestionably a media symbol of sophistication and urbanity whose programs I (along with millions of other Americans of every race persuasion, and background) have watched and frequently enjoyed. WNET does not, however, serve the public interest and I cannot put an approving imprimatur on its licenseeship by dismissing the instant complaint.

WNET's glaring deficiencies, its failure to live up to the purposes for which it was conceived and licensed, and its gross misinterpretation of its mission as a "public" broadcaster could not be better illuminated than by this complaint by Puerto Rican Media Action and Educational Council (hereinafter, "Council"). The Council's cogent, passionate, and important complaint beams a needed spotlight on what I believe to be the central offense committed by a public licensee. WNET's sin, one of arrogance, is to have concentrated its efforts on one minority group, the cultured, white cosmopolites, and too often neglected the enlightenment of other less fortunate minorities which it has a fundamental duty to

Footnotes at end of article.

serve. Because New York, like this nation, is nothing but an amalgam of discrete minorities, the highly educated white community should, indeed, be served by WNET. But, its current pattern of establishmentarian predominance must cease; the time has come for a showdown with public television.

In its complaint, the Council contends that WNET has failed to provide sufficient programming of particular importance to the Hispanic community, has "either ignored the Puerto Rican community or failed to take into consideration the cultural, linguistic or educational needs of the Puerto Rican community,"¹ and has "consistently refused to produce Puerto Rican programming despite specific demands from the community for special programs."² It is pretty well stipulated that the particular Hispanic and Latino community described by the Coalition is about one and one half million people in WNET's service area.³

In response to the million-plus Hispanics who look to WNET as their "public" broadcasters, WNET asserts that the indictment is unjustified, citing some occasional examples of programs of Hispanic interest,⁴ and seeking to excuse the balance of violations of its charter obligations with alleged financial inability.⁵ WNET says that it has "aggressively sought funding for Hispanic programming, but has not been able to develop funding for one specific group from many of its sources."⁶

The Commission, although, candidly, uncertain of the appropriate role of contemporary public broadcasting, dismisses the essence of the Coalition grievance by a statement, which—in view of precedent and past expressions—I don't think it literally intended, declaring: "[W]e have consistently held that programming which is responsive to the needs of a community in general, need not be shown to be responsive to the particular needs of each individual group within that community."⁷ That statement is an unfortunate distortion of settled Commission policy and the law. Without going further back than our *En Banc Programming Inquiry* where we specifically admonished licensees that they must direct programming to minorities, 44 FCC 2308, 2314 (1960), we have continuously ordered that a licensee cannot short change an expressed need and that special interest minorities must receive appropriate attention through programming.

We have unequivocally held that "special problems . . . give rise to a need for special programming" to meet those needs. *Evening Star Broadcasting Company*, 27 FCC 2d 316, 332 (1971); and that "[t]he problems of minorities must be taken into consideration by broadcasters in planning their program schedules to meet the needs and interests of the communities they are licensed to serve." *Time-Life Broadcast, Inc.*, 33 FCC 2d 1081, 1093 (1972). With specific reference to this duty by public broadcasters, we recently said:

... educational programming—its responsibilities to minorities within its service area are no less important than those of commercial broadcasters. Both types of stations do, of course, use a valuable public resource, for which privilege they are rightly expected to serve the needs of the public. This obligation includes not merely service to the general public but also service to significant, distinctive minority interests which are not and cannot be as fully served by commercial stations. *Alabama Educational Television Commission*, — FCC 2d —, (FCC 74-1385, released January 8, 1975, at par. 21) (footnotes omitted).

The courts have ratified that position, noting that although "[h]ow a broadcast licensee responds to what may be conflicting and competing needs of regional or minority groups remains largely within its discretion. It may not flatly ignore an expressed need . . ." *Stone v. FCC*, 151 U.S. App. D.C. 145, 157, 466 F. 2d 316, 328 (1972).

Moreover, although I recognize that minority groups do derive great benefit from programs of mass appeal, *Stone, supra*, and that general public affairs shows cannot always be broken down into ethnic points of view, *Columbus Broadcasting Coalition v. FCC*, — U.S. App. D.C.—, 505 F. 2d 320, (1974), there exists a simultaneous obligation not to elevate the general to the unreasonable impoverishment of significant minority groups. *United Church of Christ v. FCC*, 138 U.S. App. D.C. 112, 425 F. 2d 543, (1969). *Alabama Educational, supra*, removed all doubt as to the transcendent need to go beyond general appeal programming saying: ". . . we cannot accept that appeal to the general average of tastes, intellects, problems, needs and interests is the one and only way for programming decisions to be made. A licensee cannot with impunity ignore the problems of significant minorities in its service area." (FCC 74-1385, released January 8, 1975, at par. 22). A hint as to what the courts consider an "expressed need", and the magnitude of public dissatisfaction necessary to require the FCC to dig into programming neglect of a significant minority is found in the so-called "format cases."⁸ The "public grumbling" about insufficient programming attuned to expressed needs represented by the Coalition is from over one million persons of Spanish lineage and its views with respect to inadequate minority attention are shared by other identifiable minority segments of the WNET service area.

That the principal purpose of public broadcasting is to provide an alternative education media is clear from the legislative history of the Public Broadcasting Act of 1967 (Public Law 90-129, approved, November 7, 1967, 81 Stat. 368, 47 U.S.C. § 396 *et seq.*). Congressional intent in adopting public broadcasting's organic statute was: "to assist in establishing innovative educational programs, to facilitate educational program availability, and to aid the operation of educational broadcasting facilities; and to authorize a comprehensive study of instructional television and radio."

H.R. Rep. No. 794, 90th Cong., 1st Ses. 1, (1967). The above language, as well as the Public Broadcasting Act itself confirm that education and instruction of excellence was the prime objective of government in conceiving this service; not, fundamentally, enlightened entertainment.⁹ The Commission has reiterated that purpose especially with regard to minorities by pointing out that the strength of educational television derives "from its ability to be innovative and to serve significant minority tastes, needs and interests." *Ascertainment of Community Problems by Educational Broadcast Applicants*, 42 FCC 2d 690, 693. "Indeed an argument can be made that the educational broadcaster has a very special obligation to serve needs over and above what is expected of commercial stations inasmuch as the educational broadcaster not only receives the benefits of the public spectrum but also is supported by general public funds, the rationale for which is providing special services to the community." *Alabama Educational Television Commission, supra*, at note 17.

Because it is not primarily responsible for the defection of public broadcasting from its charter obligations or its present identity crisis, I do not intend to further chide the Commission for WNET's derelictions. The chief fault lies in public broadcasting's abdication of its role as the "people's television medium", a medium wholly funded by the public through tax money and citizen contributions. And, according to a recent article, Conner, "Public TV Stations Experience No Recessions as Viewers Donate Money In Record Amounts." *Wall Street Journal*, January 22, 1975, at 2, col. 1, public broadcasting and WNET in particular can stop crying poverty. In this reportage, it is stated that "WNET yesterday kicked off an ambitious

\$10 million 'independence fund campaign,' more than '\$5.2 million of the total' being raised before the campaign started and that Ford Foundation matching dollar grants are expected to yield a "fund of \$20 million". WNET's defense of indigency to the Council mentioned earlier, cannot be made today with good faith. In fact, WNET's past financial limitations are all the more reason why its inordinately high expenditure on cultural delicacies was unjustifiable. If a budget is tight, basics must be favored and luxuries foregone. WNET's financial excuse is a perversion of those priorities.

Perhaps, like some *nouveau riche* individuals we have all known, WNET's recent wealth will cause it to further forget the ordinary folk they originally were established to serve and push their social climbing deeper into exclusively high brow latitudes. Or, maybe, in addition to callously pursuing an audience ratings battle with commercial broadcasters, public television will become increasingly interested in "checkbox ratings". That is, its programs will be keyed more heavily to that societal segment affluent enough to donate the "record amounts" of which the *Wall Street Journal* speaks, thereby perpetuating a form of self-enrichment for which commercial broadcasters are repeatedly scorned. Whatever the truth underlying those two speculative possibilities, it is informative to note that the *Wall Street Journal* article, *supra*, observes that "[t]he list of those who have donated the \$5.2 million WNET has raised so far reads something of a Who's Who" (which, quite likely, does not contain a roster of the Puerto Rican Media Action and Educational Council.) With respect to the Coalition's complaint, the record (note 4, *supra*) shows that over a three-month period from November, 1973, to January, 1974, (about 1/4 of a year), WNET presented a lean and sporadic schedule of Spanish-oriented programming. The only such program presented on an almost weekly basis, "Realidades," was reduced in presentations later that season. *Majority Opinion* at note 4. Thus, where the educational and cultural needs of the million and one half Hispanics, many of who cannot even speak another language, should have been attended to nearly daily because of their great need, WNET is fortunate to be able to show barely one, regular program a week so intended. Compare this niggardly apportionment of program time to the overwhelming amount of scheduling directed to the white intelligentsia. The comparison speaks, disparagingly, for itself. The manifest unreasonableness of these programming balances raises questions about WNET's *bona fides* and reasonableness calling for review. See *Programming Policy Statement*, 25 Fed. Reg. 7291 (1960).

Again, this is not to say that lofty, cultural programming is not properly within the province of public broadcasting. As I said at the outset, and not at all facetiously, I have enjoyed many of WNET's presentations. So too, do almost all of the minority citizens, Black, Yellow, Browns and White, and public interest group representatives I've spoken to about public broadcasting.

They agree that esoteric fare, spurned by the mass-targeted, privately-owned stations, belongs on public television because it is not mass-oriented. From its perpetually low ratings, it is evident that WNET's British drama, German music, French cuisine, and Russian Ballet are of interest to a minimal portion of the television audience.

I have, over the years, become increasingly disconcerted with the path taken by educational broadcasting and in an address I made in 1972, also critical for the same reasons set forth herein, I said "your name is Legion;"¹⁰ you must serve all the myriad interests of this diverse society, particularly those marginally served by the mass-directed commercial system. If public television did not suffer a preoccupation with competing

USRA PRELIMINARY SYSTEM PLAN
IN NEED OF AMENDMENT TO
SAVE LIGHT DENSITY LINES

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. HUGHES. Mr. Speaker, on Monday, March 17, I testified at the Interstate Commerce Commission hearings in Trenton in response to the U.S. Railway Association's preliminary system plan as it affects more than 50 miles of rail line in the Second District of New Jersey which I represent.

I was not in Congress last term when the Regional Rail Reorganization Act was passed, but at this time I foresee some problems that need correction. In a few months I will propose an amendment to the act concerning the ratio in subsidy funding. I will propose a 90/10 instead of the existing 70/30 formula for States like New Jersey which can prove that insolvency prevents the appropriation of funds to subsidize light density lines.

The U.S. Railway Association plan, in my estimation, is myopic in that it fails to recognize south Jersey as a growth region for metropolitan Philadelphia. If these light density rail lines are abandoned the future development of south Jersey industry would cease, and existing small businesses forced to close, adding to an already intolerable level of unemployment.

It seems absurd that the Senate Finance Committee last Friday finalized a tax bailout bill which would save four corporations—American Telephone & Telegraph, Lockheed Airlines, Pan American Airlines, and Chrysler Corp.—while for lack of a modest subsidy, vital light density lines may be abandoned in my district and in others under the ConRail proposal.

Related materials follow:

NEWS RELEASE

TRENTON, N.J.—The Federal Government must be prepared to step in to save railway lines that serve small businesses in states, like New Jersey, which claim they can't meet the subsidy-sharing scheme of the Regional Rail Reorganization Act, U.S. Rep. William J. Hughes said today.

Testifying on a Preliminary System Plan submitted by the U.S. Railway Association, Hughes told an Interstate Commerce Commission hearing that he would seek to amend the Act when it is reexamined by Congress later this year.

"It shall be my intention to seek to authorize a change in the subsidy formula from 70 to 90 percent federal and in very special cases total federal subsidy should a rail abandonment threaten to cause a serious adverse impact on a community."

Hughes said that the proposal as submitted would abandon six light density lines in his district because the state claims it does not have the \$350,000 a year necessary as its share for keeping the lines operating. Those lines, which Hughes said are all in need of subsidies assistance to continue serving small businesses are: the Toms River to Pinewald 4.1 mile track in Ocean County; the 3.8 mile Pleasantville to McKee City track and the 3.9 mile Pleasantville to Linewood line in Atlantic County; the 16 mile Glassboro to Vineland track and the 18.2 mile Glassboro to Bridgeton line, and finally

with commercial broadcasters by stressing its version of mass appeal programs and, rather, attempted to narrow its focus on unique minorities it might find itself doing better. Perhaps, instead of slick, sophisticated packages (many imported), WNET could try simply supplying capable and interested Hispanics and other minorities with studio space, equipment and some technical expertise and let some of these groups "do their own thing". Some of the productions—in comparison to commercial TV—would undoubtedly look amateurish. But, as an educational tool, it would be unsurpassed and it would provide a glimpse into the "real" culture and character of "real" people, the very people who own the public system. While such programs would cost less (thus alleviating some of public broadcasting's averted financial squeeze), experience has demonstrated that minorities are uniformly interested in programs directed specifically to them. And, with time, these efforts would improve. Excellence is a transportable description; there can be such a thing as excellent local studio shows. I love the concept of public broadcasting because of its ability to concentrate on minority concerns. Without attempting to "rub it in", a reorientation away from its current disproporitions to something along the lines I perceive, could not do much to jeopardize its ratings which, at present, are almost *de minimus*. It might even improve those ratings. But even if gross ratings do not ascend, the public interest in providing minority service would be served and that, after all, is what an FCC license requires.

By styling itself, preponderantly, as an electronic Harvard liberal arts course,¹¹ public broadcasting has forsaken those less privileged and influential whose cultural and educational needs are far more on a "street academy" or community college scale. By aspiring to titillate the sensibilities and sensitivities of the twentieth century Renaissance man, it has overlooked the intellectual needs and sensitivities of that core of the population, which, after years of third-rate education and cultural repression, is just emerging from the chains of the eighteenth and nineteenth centuries. By disproportionately featuring the refinements of Western European heritage, it has slighted those whose heritage derives from Africa, Latin America and the Orient.

Public television, without the legal or moral right to do so, has become the caucasian intellectual's home entertainment game. Its attitude toward the Council's lament of insufficient programming for Latinos is reflective of the disdain it has shown to many Black groups and others. It throws these disadvantaged people a few token bones and, aloofly, turns its back, wanting not to "mingle with the masses." Who then, if not public broadcasting whose very reason for being is its great alternative promise, will supplement the cultural and educational offerings of majority institutions? What media, if not "the people's television", will explain the complex social, financial and political intricacies of New York, the nation and this world? Does public television expect to continue to slough off these responsibilities, wholly or primarily, to commercial broadcasters?

Because these are serious and material questions of fact relative to WNET's service in the public interest, and because this disposition leaves those critical questions unanswered, I must dissent.

FOOTNOTES

¹¹While this statement is directed to WNET-TV inasmuch as its performance, from a legal standpoint, is the sole issue before us, the sentiments herein expressed are just as applicable (more or less) to the public broadcasting establishment generally and the individual licensee components thereof.

¹ Majority Order at par. 18.

² *Id.* at par. 20.

³ *Id.* at note 3.

⁴ Majority Opinion, Attachment A.

⁵ See the discussion of decidedly contrary description of WNET's fiscal fortunes of late in this opinion, *infra*.

⁶ Majority Opinion at par. 18.

⁷ *Id.* at par. 16.

⁸ *E.g., Citizens Committee v. FCC*, 141 U.S. App. D.C. 109, 436 F. 2d 263 (1970); *Citizens Committee to Keep Progressive Rock v. FCC*, 156 U.S. App. D.C. 16, 478 F. 2d 926 (1973).

⁹ Throughout this statement I have maintained that there is a place on public broadcasting for sophisticated entertainment. As President Johnson opined when signing the Public Broadcasting Act into law:

It [P.L. 90-129] announces to the world that our Nation wants more than just material wealth; our nation wants more than a "chicken in every pot." We in America have an appetite for excellence, too.

While we work everyday to produce new goods and to create new wealth, we want most of all to enrich man's spirit.

This Corporation [for Public Broadcasting] will assist stations and producers who aim for the best in broadcasting good music, in broadcasting exciting plays, and in broadcasting reports on the whole fascinating range of human activity. It will try to prove that what educates can also be exciting.

Weekly Compilation of Presidential Documents, Vol. 3, No. 45 at 1531 (1967). Yet, the President was also sanguine about the educational potential of the medium. With public television, he hoped and anticipated: . . . great network for knowledge—not just a broadcasting system, but one that employs every means of sending and of storing information that the individual can use.

A famous teacher could reach with ideas and inspirations into some far-off classroom so that no child need be neglected. *Id.*

¹⁰ "Undertones of Racism", *Educational Broadcasting Review*, Vol. 6, No. 6, at 387 (December, 1972) (reprinted from a speech before the National Association of Educational Broadcasters, Las Vegas, Nevada, October 31, 1972).

¹¹ In view of its Anglophilic propensities these days, Oxford or Cambridge might be more correct.

SHAMROCKS TO THE MOON

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. MINISH. Mr. Speaker, earlier this week millions of Americans joined to honor the Irish and to observe a day set aside in tribute to their patron, St. Patrick. Whether we are Irish by birth, by descent, or in spirit St. Patrick's Day unites us all in the celebration of the Irish character and culture.

A constituent, close friend of mine, and proud Irish American, Mr. O. Vincent McNary of Maplewood, N.J., recently brought to my attention just how far the Irish spirit and Irish tradition have spread. To elaborate, let me quote from the book "To Rule the Night" by Astronaut James B. Irwin who walked on the Moon as part of the Apollo 15 crew:

Since I am Irish and was born on St. Patrick's Day, I had planned from the time I was first selected for the (Apollo) program in 1966 to take shamrocks to the Moon.

So, Mr. Speaker, the shamrock now rests on the Moon.

a 6.8 mile commuter-freight line from Palermo to Ocean City.

Hughes said that the USRA plan "takes an incredibly myopic view of the future of South Jersey. The counties of Salem, Cumberland, Cape May, Atlantic, Burlington and Ocean all contain large open space areas and are logical choices for industrial expansion for the Philadelphia urban area.

"This proposal abandons far more than some 50 miles of railway line. It abandons South Jersey industry and threatens to put still more people out of work in counties, such as Cumberland, where unemployment is already running at the intolerable rate of nearly 17 percent.

"The twin economic disorders of inflation and recession have taken an enormous toll in South Jersey and now, for added measure, we prepare to respond by making matters worse."

Hughes told the Commission that the survey of freight traffic along the Central New Jersey and Pennsylvania-Reading Seashore Lines was taken at a time when the South Jersey area that these lines serve "was and continues to be economically depressed. The survey looked to the past and its conclusions, not surprisingly, were a self-fulfilling prophesy.

"I think we need to consider the future and recognize that South Jersey is a logical growth area for industry. So let us not take actions today which will cut off industrial lifelines tomorrow."

Hughes made note of the February statement of USRA Board Chairman Arthur Lewis who said that federal subsidies were sufficient to keep all light density lines in operation should state and users come forth with their 30 percent. In fact, Lewis said, there might be as much as 20 million dollars in reserve from what the Congress authorized for subsidy.

New Jersey officials, however, have claimed that the state is broke and won't be able to put up its share of \$350,000 to trigger the release of one million dollars in federal funds.

This led Hughes to recommend a 90 percent federal, 10 percent state formula to be released to states which show evidence that they do not have the means to come up with their 30 percent.

Hughes said that the extra \$300,000 or slightly more that the federal government would make available to New Jersey would be well spent if it meant keeping small industries operating, and in the case of the Ocean City line, a vital commuter rail service open.

"Some of you may have read last Friday that the Senate Finance Committee overwhelmingly approved a bailout bill in the form of multimillion dollar tax cuts for four major corporations.

"Tax forgiveness for American Telephone & Telegraph would amount to \$400 million. A \$150 million cut was approved for Chrysler Corporation, \$65 million for Lockheed Aircraft and \$40 million for Pan American Airways. This, the Committee said, was to make sure these firms do not go under.

"A nation that is prepared to bail out American Telephone & Telegraph can afford to keep light density rail service open to areas where it is critical to its economic recovery."

STATEMENT OF THE HONORABLE WILLIAM J. HUGHES AT HEARINGS ON THE U.S. RAILWAY ASSOCIATION'S PRELIMINARY SYSTEM PLAN

Good morning, my name is William J. Hughes, for the past two months the Congressional representative of New Jersey's Second District which, in geographical terms, is very nearly a third of the state.

No other section of the state stands to loose more in the way of freight service in the

years ahead than my district should this Preliminary System Plan become the Final System Plan.

Gentlemen, I will come straight to the point.

This proposal abandons far more than some 50 miles of railway line. It abandons South Jersey industry and threatens to put still more people out of work in counties, such as Cumberland, where unemployment is already running at the intolerable rate of nearly 17 percent.

The twin economic disorders of inflation and recession have taken an enormous toll in South Jersey and now, for added measure, we propose to respond by making matters worse.

This Preliminary System Plan takes an incredible myopic view of the future of South Jersey. The counties of Salem, Cumberland, Cape May, Atlantic, Burlington and Ocean all contain large open space areas and are logical choices for industrial expansion for the Philadelphia urban area.

There are already burgeoning industrial parks in several counties and plans for more. If this plan goes through, however, freight service would be severely curtailed unless the state government—which claims virtual bankruptcy—comes up with its share of federal-state subsidy moneys.

If the State of New Jersey fails to ante up its share of subsidy funds to keep vital freight service operating in rural parts of the state, are we then limited to idly watch as one industry after another shuts down?

I would hope not and will conclude my remarks with a suggestion on how this might be avoided.

Perhaps most incomprehensible is the fact that the survey of freight traffic along the Central New Jersey and Pennsylvania-Reading Seashore Lines was taken at a time when the whole area these railways service was and continues to be economically depressed.

The survey looked to the past and its conclusions, not surprisingly were a self-fulfilling prophesy.

I think we need to consider the future and recognize that South Jersey is a logical growth area for industry. So let us not take actions today which will cut off industrial lifelines tomorrow.

REGIONAL RAIL REORGANIZATION ACT

I was not in Congress when the Regional Rail Reorganization Act of 1973 was passed. I am there now and already can foresee that it is in need for further amendment.

Barely three weeks ago the U.S.R.A. issued its preliminary plans and set a course for these hearings and ultimate Congressional approval or rejection by Fall.

If the Commission is able to keep to this timetable, it is certain to act as an inspiration to the new ConRail system.

I don't pretend to be an expert on railroads or even on the Rail Reorganization Act. But I do know, after considering the likely possibility of the abandonment of six light density lines in South Jersey, that the 70 percent federal, 30 percent local subsidy formula is in need of change.

For what will happen if New Jersey fails to put up the \$350,000 it says it hasn't got to keep those lines not recommended for the ConRail system operating?

The answer is apparent. They will simply cease to be.

Are these lines then so unimportant that their abandonment will go unnoticed? Let us look at the six falling lines not recommended for the ConRail system in my district. And, more importantly, let us consider their potential as well as their current operating losses.

TOMS RIVER TO PINEWALD

The Toms River to Pinewald light density line is a 4.1 mile Class I track in Ocean

County. True, in 1973 it operated at a loss of \$84,213 or \$1,504 per carload.

But what is the real loss if the line is abandoned and unsubsidized?

The real loss is in the projected 4,000 inbound carloads and 15 outbound carloads projected in the next five years by the Jersey Central Power & Light Company at Oyster Creek. Add to this a possible nuclear generating station at Forked River, with another 800 carloads per year through 1978 and construction work for 3,000 tradesmen, and the economic impact becomes impressive.

ATLANTIC COUNTY

In Atlantic County we have two short lines which, abandoned and unsubsidized, would almost certainly mean the loss of an industrial park and the possible closing of many businesses.

The Pleasantville to McKee City track served by the Pennsylvania-Reading Seashore Lines travels a distance of only 3.8 miles. But it serves an industrial park complex which expects to add to the firms already located there—provided rail service is uninterrupted.

Here there is the possibility of error by the USRA in its preliminary report. Frank Burke, treasurer of the Atlantic City Press and Chairman of the McKee City Spur Users Committee, plans to challenge at these hearings the estimated number of 107 carloads a year serviced by this line.

The total may be three or four times as great and since the newspaper itself used 83 carloads for its operation, this spur may not be nearly as unprofitable as the \$227 per carload estimate made in the survey.

Even if it were, the point again is the need to consider the long-range growth potential of the service area.

Termination of the 3.9 mile Pleasantville to Linewood spur could force Dee Lumber Company, an important employer, out of business. Herbert Adler has advised me that his firm would be unable to price its products competitively if rail service was discontinued.

CUMBERLAND-SALEM COUNTIES

The Millville branch of the Pennsylvania-Reading Seashore Lines extends for 16 miles from Glassboro in Gloucester County to Vine-land in Cumberland County.

Several firms may face economic ruin if rail service is eliminated. Let me read a typical letter from Walter R. Sjogren, President of Whitehead Brothers Company, an industrial sand supplier in Florham Park:

"... if the railroad is discontinued," he writes, "the cost of finding alternative shipping arrangements will be so exorbitant that we will not be able to justify continued operation at (three) locations."

Continued service along the Bridgeton branch from Glassboro to Bridgeton is, if anything, even more urgent. This 18.2 miles spur passes through three counties—Gloucester, Salem and Cumberland.

A 4,000 to 5,000 acre industrial park is planned along the line near Bridgeton. Though considered unprofitable for ConRail, the line nonetheless generated 1,894 carloads by USRA estimates in 1973. Cessation of service would have a devastating effect in the three county area.

Scholick Mills, which relies on railway supplies from the Midwest, would almost certainly shut down. Owner George Scholick states it would simply be impractical to attempt to arrange for 450 trucks to form an alternative supply line. My office has already received a petition from nearly 500 farmers who depend on the mill for feed stock.

This line also serves, as in Ocean County, a supply link for a nuclear generating plant under construction. This is the facility at Artificial Island in Salem County.

I am reminded that in a statement made

by USRA Board Chairman Arthur D. Lewis prior to the release of the Preliminary System Plan special consideration was to be given to the preservation of rail service to sources of energy and to the "minimization of job losses and associated increases in unemployment.

On both these counts we can make a case for continuing the Bridgeton line.

OCEAN CITY BRANCH

The sixth and final line not recommended for ConRail inclusion is unique. The 6.8 mile stretch from Palermo to Ocean City continues its growth despite the need for repair as a commuter link.

Commuter use of the rails should be encouraged yet here where a successful service is growing, we are faced with possible abandonment.

As recently as the week of March 3, a check of passenger service from Ocean City to Tuckahoe revealed full accommodations with 89 passengers aboard.

In this case, loss of the freight line also signals loss of commuter service. Neither should happen.

SUBSIDY PAYMENTS

Earlier in my remarks I mentioned that I would conclude by suggesting how the abandonment of these lines could be avoided.

Returning for a moment to the Regional Rail Reorganization Act, Section 401(a) states that rail service continuation subsidies should be used where "the cost to the taxpayer of rail continuation subsidies would be less than the cost of abandonment of rail service in terms of lost jobs, energy shortage and degradation of services."

Yet what happens in states—like New Jersey—which profess an inability to contribute 30 percent of the cost toward keeping the lines operating?

USRA Board Chairman Arthur Lewis may have provided us with an answer last month when he announced that federal subsidies for light density lines not included in Con-Rail will not exceed \$75 million though the Congress authorized \$90 million.

It shall be my intention when the USRA presents the Final System Plan to Congress this year to seek an amendment which would authorize the expenditure of the federal share in certain cases under a 90 percent federal, 10 percent state formula.

In very special cases, where it could be demonstrated that a state and the line customers were financially unable to even put up 10 percent, and that abandonment would cause a serious adverse impact on a community, a total federal subsidy would be allowed.

To become eligible for these moneys, a state would have to satisfactorily prove evidence of its insolvency—rather than an unwillingness—to contribute toward the cost of keeping light density lines in operation.

I would hope that the Interstate Commerce Commission might give thought to supporting such a formula revision.

Some of you may have read last Friday that the Senate Finance Committee overwhelmingly approved a bailout bill in the form of multimillion dollar tax cuts for four major corporations.

Tax forgiveness for American Telephone & Telegraph would amount to \$400 million. A \$150 million cut was approved for Chrysler Corporation, \$65 million for Lockheed Aircraft and \$40 million for Pan American Airways. This, the Committee said, was to make sure these firms do not go under.

The \$1 million, \$350,000 to save light density lines in New Jersey and the hundreds of customers they serve palls by comparison.

A nation that is prepared to provide welfare to the wealthy can save the small businesses dependent on rail service.

I would prefer a 90 to 10 split because I

do believe that the state and those along the lines should share in the commitment to keep them open. However, I can see circumstances that would call for total federal subsidy, at least until an area is back on an even economic keel.

We have precedence in such a 90 percent federal, 10 percent local formula in the construction of our interstate highway system. Certainly the continuance of rail service to businesses dependent on them is as important as creating a high-speed highway network.

Let me close by saying that the continuance of light density rail service in South Jersey, in the opinion of those who use those lines, is crucial to the economic recovery of the entire region.

They must not be abandoned. And if it is a question of additional funds, I will work at the federal level to get them.

We simply cannot stand the additional job layoffs in my district which would certainly result from closing these six rail lines in these economically difficult times.

SALARY STRUCTURE OF VA PHYSICIANS

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. MILFORD. Mr. Speaker, the quality of medical services within veterans' hospitals is a valuable one that must be maintained in every way possible. In the future, we shall be considering legislation (H.R. 1545) which shall affect the salary structure accorded to VA physicians. I am submitting a letter from Dr. S. Eisenberg, a constituent in the 24th Congressional District, who has made a valid and timely point:

DEAR CONGRESSMAN MILFORD: It is the purpose of this letter to apprise you of a gross inequity existing in the salary structure of VA physicians viz-a-vis private and university physicians which could threaten the very existence of what should be one of the proudest programs of the U.S. Government. The following points should be made unambiguously:

1. The maximum salary restriction (\$36,000) of the past five years has been tantamount to a yearly salary reduction—and has prompted many top-notch physicians to seek employment elsewhere.

2. We have, in recent years, been extremely successful in recruiting superb physicians into the VA. This entire picture is rapidly changing because of our salary restrictions.

3. It is pointed out by various concerned persons in Congress that there is no "groundswell of public opinion" in support of corrective legislation. It is clear that such will not be forthcoming, but on the other hand, it completely escapes me as to why this is even remotely to be considered a political issue. This type of problem must be decided upon merit, not public opinion; clearly very few people would rally to the cause of a group making \$36,000, but this in no way diminishes our need. Many lay persons are simply not as well informed regarding such issues as are our elected officials and to refuse to consider this on such grounds would reveal an appalling lack of sensitivity to the nature of the grievance.

4. This is a matter of extreme urgency.

S. EISENBERG, M.D.,
Chief, Medical Service.

UNEMPLOYMENT AMONG BLACK TEENAGERS

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mrs. CHISHOLM. Mr. Speaker, we have heard a lot about the rate of unemployment in this country and the problems of those who are suffering the consequences of what has become our worst economic crisis in 40 years.

Even in times of prosperity, unemployment has been a major problem among black teenagers. Now, our current economic situation has had catastrophic effects on that group of Americans.

We have not paid enough attention to the particular plight of black teenagers who want to work and cannot. It is not simply a matter of these young men and women not being able to earn "spending money." Rather, it is a problem which affects many black families as well. A good number of black teenagers contribute their income to the operation of a household. With the high number of single-parent families in black communities, most of them headed by women, unemployment of these families' teens is tantamount to having an unemployed father. It is not enough to talk about making summer jobs available to these teenagers; many of them seek and need full-time permanent jobs.

I found this news analysis by Herrington Bryce, director of research and director of the Public Policy Fellows Program for the Joint Center for Political Studies, on the crisis in unemployment among black teenagers an insightful discussion of this problem. Mr. Bryce's article, which appeared in the March 12, 1975, Washington Post, makes it startlingly clear that we must take a hard look at this crisis and find some remedies. The article follows:

THE CRISIS IN BLACK TEENAGE UNEMPLOYMENT (By Herrington J. Bryce)

The rate of unemployment among black teenagers has risen by an astronomical 43 per cent over the last year. Nearly 400,000 black youths (41.1 per cent of their labor force) are pounding the streets looking for work.

It may come as a surprise to many, but the rate of unemployment among black teenagers has always been intolerably high. Even in good times, say in 1969, when the overall unemployment rate was 3.5 per cent, the black teen-age unemployment rate was 24 per cent. Furthermore, ever since the middle '60s the black teen-age unemployment rate has been more than twice that of their white counterparts. Ever since the 1957-1958 recession, at least a fourth of all black teen-agers have been unemployed.

We did not get to the 41 per cent unemployment rate in one big leap. It should not have been a surprise. Knowing that teen-age unemployment climbs rapidly in a recession, we should have expected it as part of the overall forecast of an 8 plus general unemployment rate. Moreover, during the year the black teen-age unemployment rate worsened steadily month by month, but nobody noticed. It was 34.5 per cent in October, 36.9 per cent in November, 37.7 per cent in December and, then the jump to 41.1 per cent

in January. And figures seriously underestimate the gravity of the problem. Black teen-agers are accelerating the pace at which they leave the labor force. Between 1973 and 1974, alone, the number of black teen-agers who left the labor force in disgust and convinced that they could not find jobs more than doubled. These discouraged youths are not counted among the unemployed.

And the problem is not only in the poor sections of our cities. At the close of last year, the unemployment rate for black teen-agers living in the poor sections of our metropolitan areas was 43 per cent compared to 34 per cent in the non-poor areas. Even black teen-agers outside of the large cities have an intolerably high rate. More than one fourth of them are unemployed. And most are not eligible for unemployment insurance even under the new expanded program; for many are not part of the experienced labor force, and many quit voluntarily or did not work long enough to qualify.

The unfortunate part about all this is that we have consistently belittled the problem of high black teen-age unemployment. The argument persisted that teen-age unemployment was not all that important. It was the male head of the household who was important. The error in this chauvinism is that nearly 34 per cent of black families as compared to 10 per cent of white families are with a female head and this fact is especially poignant with poor black families; 64 per cent are female-headed.

The point is that black teen-agers contribute significantly to the earnings of their families. While their median income is just over \$600 per year, this is just under one-tenth of the income of the average black family. Such a proportion is critical in low-income black families. Furthermore, 20 per cent of low-income black families have more than one wage earner. Who are these other earners? Many are teenagers.

The situation is substantially different among white low-income families. Poverty in this group relates more to the elderly than it does among blacks where poverty is the plight of people who have children.

It is not only in respect to their contribution to family income that black teen-agers' work is important, but also with respect to their future. Teen-age employment provides work experience, it provides an early opportunity to select professions, to develop proper work attitudes, and to obtain an exposure to new friends. Little wonder that we find that after years of being beaten around in the labor force, blacks develop high labor market turnover rates. We destroy proper work attitudes at the outset.

What can be done? Many call for summer employment for youth. The United States Conference of Mayors is asking for approximately 1.2 million summer jobs for their urban youth. Laudable, but for blacks this misses the point. The seriousness of black teen-age unemployment is year-round. It has been 38 per cent or more during these winter months.

Public service employment? Yes, but the number of jobs to be provided by the current public service employment program is so small that it will not have an appreciable effect even on the adult unemployment rate. Faced with a choice, employers will (as they must) choose adults—not teen-agers.

Many suggest training. But during all the training and placement activities of the '60s, the black teen-age unemployment rate was 25 per cent or better. This is not to say that we do not need these programs. We need a more intensified and a more sophisticated effort than those of the 1960s.

Naive as it may seem, I believe that commitment (money and policy) is what it is all about. The fact is that in our economy neither the private nor the public sector has any commitment to full employment. The

private sector's commitment is to higher profits. This is frequently attained merely by increasing prices. Sometimes it is attained by firing or furloughing workers which only increases the unemployment rate.

It is true that full employment is a nebulous concept. But it does change priorities. It directs and mobilizes the government to find jobs. Furthermore, when the economy is fully employed blacks, women, teen-agers and unskilled workers do relatively well. Historically, their wages rise faster than those of very skilled workers. They do well because employers, faced with a pressing need to increase their output to meet a rising demand, find it too costly to discriminate or to put unrealistic requirements on who they hire.

Admittedly, education is no panacea—one fifth of all black family heads who are poor had at least a high school education. A black who has finished high school makes no more than a white who finished eighth grade and one who has finished college makes no more than a white college dropout. All this aside, education is important. Most black teen-agers ought to be in school rather than in the labor market.

The sad reality of black teen-age life is that it lacks viable alternatives. White teen-agers also leave the labor force. But they have some place to go. They are enrolling in colleges and in the military in increasing numbers. Many go home to parents who are not economically strapped.

Unfortunately, as the teen-age unemployment rate rises, blacks will have to compete more intensely for entrance into colleges which is a newfound hope. As the supply of potential students and soldiers swells with young whites who are leaving the work force in search of alternatives, there will be a strong incentive for college and military recruiters to screen out blacks either on the basis of qualification or discrimination. The black teen-ager will continue to fall behind.

SHE TELLS IT THE WAY IT IS!

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. SARASIN. Mr. Speaker, I would like to take this opportunity to honor Mrs. Bertha Watrous of Waterbury, Conn., who is celebrating her 100th birthday on March 24. Mrs. Watrous was born in 1875 and brought up in Bantam, Conn., on a farm where she spent most of her life. Her contributions to her country include raising a daughter and an adopted son and providing help during the war rolling bandages for the injured abroad.

I am pleased to say that I will be visiting Mrs. Watrous, who still enjoys excellent health and plays the piano. Her family has grown to include 3 grandchildren, 7 great-grandchildren and 12 great-great-grandchildren. Those who live with her at the Whitewood Manor home will attest to the fact that this spunky little lady still tells it the way it is.

Her life and good humor provide an example for all Americans. Mrs. Watrous has seen national economic difficulty, major world wars, death and destruction, and she remains candid and optimistic about people and their ability to summon all the resources and talents necessary to solve our multitude of problems. At

this time, I would like to extend my personal congratulations to Mrs. Watrous and her family and wish her a very happy birthday.

THE EXTENSION OF VISAS TO CHILEAN POLITICAL PRISONERS

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. HARRINGTON. Mr. Speaker, the State Department has approached Congress with a proposal to admit Chilean political refugees to the United States. Traditionally, visa quotas are waived so that citizens victimized by their own country can have a safe haven. Hence, the State Department's suggestion, besides having merit as a humanitarian act, acknowledges that the Chilean junta is violating the human rights of its countrymen.

It is now up to the Congress to follow the State Department lead. Until the leaders of the Senate and House Judiciary Committees endorse the plan, it will not be implemented. Unfortunately, the implications of congressional veto go far beyond this single issue. If Congress fails to demonstrate sensitivity to this human rights issue, the State Department will have a mandate to ignore any number of similar situations, especially those involving Chile.

This is no idle speculation. In a matter of weeks, the so-called Paris Club will meet to consider rescheduling the Chilean debt falling due this year. While other creditor nations have expressed willingness to tie repayment terms with the junta's efforts to improve the quality of human rights in Chile, the United States negotiators appear oblivious to the possibility of extracting a fair exchange for reconsideration of an outstanding debt.

With this as background, the Chilean visa question currently under consideration is all the more critical. Consequently, I urge my colleagues to read the AP story by George Gedda that follows:

UNITED STATES WANTS TO ADMIT REFUGEES FROM CHILE

The State Department is weighing a plan under which the United States would accept as political refugees several hundred Chileans either jailed in Chile or living in exile in Peru.

While there are thousands of refugees in the United States from Communist countries, congressional sources said there is no precedent for the large-scale entry of persons from nations under rightist rule.

Assuming the plan does not encounter opposition from congressional leaders, the State Department is expected to recommend to the attorney general that about 400 Chileans and their dependents be permitted to come here as refugees.

The initiative appears to reflect State Department sensitivity to congressional charges that American foreign policy lacks a human rights dimension.

Hundreds of Chilean refugees have been received by other Latin American and West European countries, and State Department officials say the United States has a responsi-

bility to aid certain categories of Chileans who have been unjustly victimized by political events in that country.

Under the plan, potential refugees would be screened to ensure that no leftist militants are granted entry. Jailed Chileans with only a tenuous relationship with the ousted regime of President Salvador Allende would be the most likely candidates for refugee status.

The government of President Augusto Pinochet has agreed to release certain political prisoners on the condition that another country is willing to accept them.

Another category of would-be refugees involves those Chileans who fled to Peru for fear of arrest following Allende's downfall and death. Peru agreed to accept several thousand such refugees but on a temporary basis.

Numerous independent commissions have visited Chile during the past 18 months and most have concluded that there have been systematic violations of human rights, including torture. However, some independent observers who have visited the country in recent months have said the situation has improved considerably. There are no precise estimates of the number of political prisoners in Chile but American officials believe there are about 5,000.

SEX DISCRIMINATION IN VOCATIONAL EDUCATION PROGRAMS

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. PEYSER. Mr. Speaker, sex discrimination is a waste. Regrettably, it continues in employment practices despite much effort of Government and many businesses to put an end to it.

Last Monday a significant step was taken toward ending this wasteful practice. The House Subcommittee on Elementary, Secondary and Vocational Education, chaired by my colleague from Kentucky (Mr. PERKINS), at the request of my colleague from New York (Mrs. CHISHOLM) began hearings on sex discrimination in vocational education programs. I want to congratulate both of my colleagues for this initiative.

The purpose of the hearings is to take a realistic look at the occupational placement of women in relation to salary levels and vocational training. The traditional education courses for women, such as secretarial training, have provided only limited employment opportunities, placing women into lower paying professions, dominated by other women.

I would hope that these hearings draw the attention of all those concerned with this problem, and that eventually we can report remedial legislation to correct any discriminatory aspects of the programs that there may be. In order to illustrate the importance of these hearings, which will continue on March 24, I am enclosing some Labor Department statistics on women workers, and an excerpt from the testimony given by Ms. Nancy Perlman at last Monday's hearing:

U.S. DEPARTMENT OF LABOR,
Washington, D.C.

TWENTY FACTS ON WOMEN WORKERS

1. Nine out of ten girls will work at some time in their lives.

2. A majority of women work because of economic need. About three-fifths of all women workers are single, widowed, divorced, or separated, or have husbands whose earnings are less than \$7,000 a year.

3. More than 35 million women are in the labor force; they constitute nearly two-fifths of all workers. Some 4.5 million women of minority races are in the labor force; they constitute more than two-fifths of all minority workers.

4. More than half of all women 18 to 64 years of age are workers.

5. About one-fourth of all women workers hold part-time jobs.

6. Women accounted for three-fifths of the increase in the civilian labor force in the last decade.

7. Labor force participation is highest among women 18 to 24 and 35 to 54 years of age; the median age of women workers is 36 years.

8. The more education a woman has, the greater the likelihood she will seek paid employment. More than 3 out of 5 women 45 to 54 years of age with 4 or more years of college are in the labor force.

9. The number of working mothers (women with children under 18) has increased about ninefold since 1940. They now number 13.0 million, an increase of 3.7 million in the last decade.

10. The 4.8 million working mothers with children under 6 in 1973 had 6.0 million children under 6; the estimated number of licensed day care slots is 920,000.

11. Women workers are concentrated in low-paying dead end jobs. As a result, the average woman worker earns less than three-fifths of what a man does, even when both work full time year round.

12. Unemployment was lowest for white adult males (2.9 percent) and highest for minority teenage girls (34.5 percent) in 1973.

White adult women, 4.3 percent.

Minority adult men, 5.7 percent.

Minority adult women, 8.2 percent.

White teenage boys, 12.3 percent.

White teenage girls, 13.0 percent.

Minority teenage boys, 26.9 percent.

13. Among all families, about 1 out of 8 is headed by a woman; almost 3 out of 10 black families are headed by women. Of all women workers, 1 out of 10 is a family head; 1 out of 5 minority women workers is a family head.

14. Among all poor families, more than 2 out of 5 are headed by women; almost 2 out of 3 poor black families are headed by women.*

15. It is frequently the wife's earnings which raise a family out of poverty. In husband-wife families 11 percent have incomes below \$4,000 if the wife does not work; 3 percent, when she does work.

16. The average woman worker is slightly better educated than the average man worker. Women have completed a median of 12.5 years of schooling; the medium for men is 12.4 years.

17. Women are about two-fifths of all professional and technical workers but less than one-fifth of all nonfarm managers and administrators.

18. Women are 77 percent of all clerical workers but only 5 percent of all craft workers.

19. The median wage of full-time year-round private household workers was only \$2,365 in 1972. Effective May 1, 1974, most private household workers were covered by Federal minimum wage and overtime legislation.

20. Fully employed women high school graduates (with no college) have less income on the average than fully employed men who have not completed elementary school.

*Classified as poor were those nonfarm families of four with total income of less than \$4,275 in 1972.

SOURCE.—U.S. Department of Commerce, Bureau of the Census; U.S. Department of Health, Education, and Welfare, National Center for Social Statistics; U.S. Department of Labor, Bureau of Labor Statistics and Wage and Hour Division, Employment Standards Administration.

EXCERPT FROM THE STATEMENT OF NANCY PERLMAN

There is a brochure put out by the Women's Bureau entitled "Twenty Facts on Women Workers" which ought to be required reading for all policy-makers. As the pamphlet points out, women work out of economic necessity. Two-thirds of all women workers are either single, divorced, widowed, or separated, or their husbands earn less than \$7,000 a year. Working wives employed full-time year-round contribute almost two-fifths of their families' income. Twelve percent of these working wives contribute half or more to the family income. They are working to put food in their children's mouths and to pay the rent.

Those with the most serious problem are the female heads of households, a large and growing group. Between 1960 and 1972, the number of households dependent upon women increased 56%, from 9.5 million to 14.8 million. A very large portion of these are due to the accelerated rate of separation and divorce. Studies point out that after two years, child support and alimony payments are either completely absent or severely reduced. This means that many women are the only source of income for their families. Of low-income families 43% are headed by working women, and the median income for such families in 1971 was \$5,116, less than half the income of male-headed families. As always, minority women face the most serious problem.

While some 11% of all U.S. families are female-headed, among Black families 34% are female-headed. Among Puerto Rican, 32.2% are female-headed, and among Chicano, 13.4% are female-headed.

The phenomena of female-headed minority families has always existed, but as a study done by the Community Council of Greater New York indicates, it is a growing trend. They report that in the last decade there was an 89% increase in black female-headed households, and a 100% increase in Puerto Rican female-headed households. The New York study cited above also indicates that 17% of all families in New York are now female-headed.

One of the most significant aspects of the female work force is that it is increasingly made up of working mothers. From 1940 to 1972 the labor force participation rate of mothers rose almost five times—from 9 to 42%. In contrast, the rate for all women workers rose only one and a half times—from 28 to 43%. Mothers have been entering the labor force since 1948 at a rate of one percent a year, despite the decline in the total population of children since 1970.

In March 1973, U.S. families had 1.5 million fewer children under age 18 than the year before, but 650,000 more mothers were working, and perhaps most significant of all has been the sharp rise in the numbers of mothers with pre-school children in the labor force. The rate of working mothers with children aged 3 to 5 increased by 13.2% to 38.3% from 1960 to 1973. The participation rate of mothers with children under 3 rose by 29.4% over the same period.

One of the basic problems of women workers is that they are concentrated in the lower-paying jobs. These tend to be those occupations which are female-intensive. In fact, the higher the concentration of women in the job category, the lower the wages.

Attached is a table from an article written by Elizabeth Waldman and Beverly J. McEaddy of the Bureau of Labor Statistics for the May 1974 Monthly Labor Review entitled

"Where Women Work—An Analysis by Industry and Occupation." This table shows the average weekly and hourly earnings for non-supervisory workers on private non-agricultural payrolls in selected industries.

Women are concentrated in the lower-paid and less skilled jobs. For example, while the average salary for all manufacturing workers was \$150 a week in January, 1973, in female-intensive industries the average is much lower. In the apparel industry, in which 81% of the employees are female, the average weekly salary is only \$93—that is \$4,336 a year.

The service industry—the most female-intensive of the major industry groups, with 55% of its workers women—employed 6.8 million women in January 1973. Earnings for this group averaged \$111 a week. Hospital workers average \$108 a week, and women in hotels, and laundries and drycleaners average \$76 and \$87 respectively.

Another low-paying female-intensive industry is retail/general merchandise, where the average weekly wage is \$82. All of this is contrasted with those occupations which are male-intensive. For example, in transportation equipment, which has only 10 percent female workers, the average earnings were \$210, and in the malt liquor industry, which has 7% women, the average worker earned \$229 a week. Finally, compare in the public utilities the pay of switchboard operators—\$126 a week—with those of line construction employees—\$228 a week. The message is clear: women should seek and be encouraged to seek non-traditional jobs if they wish to secure higher incomes.

It is clear that current Vocational Education courses are not preparing women to do that. They are now concentrated in Home Economics, clerical training, health and cosmetology. As Ms. Marilyn Steele's report, "Women in Vocational Education" points out, girls are enrolled in only 38 wage-earning courses out of 136 instructional programs identified by the Office of Education.

THE OFFICE OF INSPECTOR
GENERAL AT HEW

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. ROSENTHAL. Mr. Speaker, while HEW program expenditures will total \$81 billion for this fiscal year, the department has no effective centralized investigatory authority to monitor its disbursements. It has abdicated its investigatory responsibilities for many programs to the States and has failed to properly oversee whether the States actively investigate charges of improper expenditures.

As an example, there is massive evidence of millions of dollars of unlawful HEW payments in the \$1.5 billion medicare program for proprietary nursing homes. HEW's small investigations of office has acted on only three cases involving the \$10 billion in total medicare disbursements, none of which involve nursing homes, and these three cases alone represent an estimated potential saving or recovery of \$2.6 million.

Fraud and misuse of funds are problems not confined to medicare alone. Thousands of allegations regarding il-

legal medicare reimbursements are reported yearly, but HEW follows up on less than 1 percent of these charges. As a result, this \$12 billion program meant to defray medical expenses for Americans age 65 or over, has been called "a gold-lined grab bag for chiseling doctors, hospitals—and related health facilities." Moreover, in recent months HEW's education funds have been subjected to GAO scrutiny and the Department has been criticized for failing to actively oversee vocational education funds. The GAO report concluded that State education agencies have kept too much Federal money for themselves and been unresponsive to relative local needs.

HEW seems incapable of effectively monitoring its multibillion-dollar programs. The audit agency is denied necessary investigatory power and is poorly staffed. New York State, for example, has only 16 auditors and 1 full time lawyer covering reimbursement claims for 1,600 medical facilities. HEW's small investigations office, staffed by 10 men, has acted on just a handful of the cases that have come to its attention.

For this reason, 40 of our colleagues are joining me today in introducing legislation to establish an independent Office of Inspector General in DHEW, whose primary responsibility would be to assure that all HEW funds are lawfully expended. The Inspector General would be appointed for a 10-year term by the President with the advice and consent of the Senate. He would be removable for cause only and would not be eligible for reappointment beyond the original term.

My bill would invest the Inspector General with the power to subpoena persons, records, and documents. This authority, which is indispensable to an adequate investigatory agency, is not presently enjoyed by HEW investigators. The legislation would require the Inspector General to be answerable equally to the Congress and to the President. He would be required to submit major investigative reports simultaneously to the HEW Secretary and the appropriate committees of Congress.

Mr. Speaker, at this point I am inserting the list of cosponsors:

LIST OF COSPONSORS

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A PROTEST AGAINST DIPLOMATIC
IMMUNITY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. GILMAN. Mr. Speaker, one of the keystones of the government of our great land is the principle that our laws apply equally to everyone, and that no group or individual is allowed to violate the law with impunity. Unhappily, this is not always the case.

One of my constituents, Mrs. Sylvia Torgan of Spring Valley, N.Y., recently made a personal crusade against the legal immunity our Nation extends to members of the diplomatic corps.

On January 11, 1975, in Yonkers, N.Y., Mrs. Torgan was given two traffic summonses. When Mrs. Torgan appeared in court, she refused to pay the fines on these two tickets, declaring that foreign diplomats in the United States, and especially in New York City, commit traffic and parking violations by the thousands with virtual impunity. Why, she demanded, did the law apply to her in all its particulars, and not to the foreign diplomats?

Mrs. Torgan was incarcerated for refusing to pay the fine.

Mr. Speaker, while I do not condone her illegal act, Mrs. Torgan has forcefully raised a valid point which we should all consider in reviewing our Nation's policy toward infringement of our laws by diplomats. In the last 3 months of 1974, more than 31,000 separate parking violations issued to embassy and diplomatic vehicles went ignored. The Soviet Union received 3,600 of these, Cuba was given 1,216, Egypt 1,208, and Nigeria 821. The New York Post commented editorially:

The overall three-month total, more than 31,000 separate violations, is an extraordinary exhibition of selfishness and dangerous irresponsibility. Many of these parking offenses involve fire hydrants. And the lame excuses of the diplomats are the familiar kind heard from many a resident scofflaw.

This is an old but still dismal story. It involves serious hazards. It is also something less than an encouragement to international concord. Isn't it time the Department of State issued the visitors more pointed instructions about elementary courtesies in the host country.

Mr. Speaker, we often hear that our Nation has one set of laws for the rich

and powerful and still another for the poor and weak. We deny this is the case; we fervently uphold the principle that our laws apply equally to everyone. Yet how can we make this claim when we tolerate in our midst an utter disregard for the simplest of our laws? The contempt these distinguished violators have for the laws and customs of our Nation is exceeded only by the magnitude of their offenses.

Must we wait until someone dies in a fire because the fire department could not dislodge a diplomatic Lincoln Continental to get to a hydrant?

It is all very well to extend additional courtesies to our foreign visitors, who may not always be familiar with our laws and with the necessities and principles that underly our laws. But we are not speaking here of an esoteric or vague statute, hidden somewhere in a dusty law book. Nobody expects our foreign guests to be aware of these laws and honor them. We are speaking, rather, of the simplest and best known of all our laws—the parking regulations—and, even if the diplomatic scofflaws were not aware of the laws when they arrived, 31,000 citations ought to be enough to familiarize them with the rules.

If our existing laws are adequate to meet this problem, then let us enforce them to the hilt. If new laws are needed, then let us get on with the task to rid ourselves of this menace.

PERLE MESTA DIES AT 85

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mrs. HECKLER of Massachusetts. Mr. Speaker, it was with deep sadness that Perle Mesta's countless friends and associates throughout the world learned this week of her passing.

Mrs. Mesta will long be remembered not only as this capital city's most respected and renowned hostess, but more importantly for her outstanding service to the Nation as Ambassador to Luxembourg, where she earned that country's highest honors. A "legend in her time" is an apt description of this exceptional woman's career.

I will remember the day in 1971 when the House enacted the equal rights amendment. Perle was my guest at lunch that day, and she was thrilled that the principle to which she had dedicated her life was finally being recognized by Congress.

She was a wonderful person, and I would like to share with my colleagues the following article by Betty Beale from the Washington Star of March 17, 1975.

"HOSTESS WITH THE MOSTEST," PERLE MESTA, DIES AT 85

(By Betty Beale)

Perle Mesta, the internationally known Washington "hostess with the mostest" who was immortalized in the musical comedy "Call Me Madam," died yesterday at the age of 85 in Oklahoma City, where she was raised.

She had returned there on Feb. 6, 1974, to

live with her brother, William Skirvin. An active woman on the Washington scene for 50 years, she never recovered from the fall she suffered here in the summer of 1972 that resulted in a broken hip and other complications.

Perle Mesta combined politics and parties with a zest that led to her appointment as minister to Luxembourg by President Truman in 1949. She gained her greatest fame from her glamorous gatherings in honor of President and Mrs. Truman. More than any other hostess in this century, she loved publicity and knew how to cultivate the kind of public relations that enhanced her image as a celebrity. Her warmth, humor and delight in giving people a good time did the rest.

Mrs. Mesta's father, William Balsler Skirvin, was on the first train to Oklahoma Territory when it was opened up. He staked out lots in Guthrie, the first capital of the state, and began making money in real estate before moving to Galveston, Texas. He laid out the town of Alta Loma, across the bay from Galveston, and started investing in oil prospecting. He was in on the second gusher at the famous Spindletop field in Texas and acquired an interest in other big oil fields.

Perle, the first of three children, was born in Sturges, Mich., where her mother was escaping the summer heat of Galveston. In the early 1900s the family moved to Oklahoma City and her father struck oil again near Tulsa. By the time he built the Skirvin Hotel in Oklahoma City in 1911, he was a millionaire. Her mother, who was born in a log cabin and was a graduate of the University of Kansas, died in 1908.

Mrs. Mesta was never interested in higher education and admitted that she didn't like to read. In her autobiography, "Perle," she said that when she finished school she went to Chicago to study piano and voice, but in 1915 moved to New York to live with a wealthy great-aunt.

There she met millionaire bachelor George Mesta, who owned the Mesta Machine Co. in Pittsburgh. They were married in 1917 and soon after took an apartment at the Willard Hotel here, where they stayed off and on throughout World War I while Mesta served as a \$1-a-year consultant to President Wilson. Mrs. Mesta said she was never accepted in Pittsburgh so Washington, where she and her husband entertained first Vice President and Mrs. Thomas Marshall, then Vice President and Mrs. Calvin Coolidge, became her favorite city. When her husband died in 1925, Washington became her home, through she lived for a time later in New York City, Arizona and Rhode Island.

Her fascination with politics began in 1928 when she attended the Republican National Convention. She helped organize the young voter turnout in Oklahoma and the usually Democratic state went for Herbert Hoover. Vice President Charles Curtis began escorting the rich widow places and their names were romantically linked, but they were only good friends.

She entertained Curtis in Newport where she and her sister had taken a house, and set the fashionable summer resort on its ear, because he was the first vice president to visit there while in office. It was Curtis who arranged for her formal presentation at the Court of St. James in the summer of 1931 when she curtsied to King George and Queen Mary.

In the late 1930s Mrs. Mesta became converted to the cause of women's rights and joined the National Woman's Party. She was asked to open the headquarters at Geneva of the World Woman's Party, which subsequently led to a permanent League of Nations committee on the status of women. In 1940 she persuaded the Republican National Convention to go on record as supporting a constitutional amendment to provide equal rights for women, the first time

a major political party had backed such a plank.

She worked for Wendell Willkie in that campaign but began to feel more and more sympathetic with the New Deal program, and by 1944 had switched her registration from Republican to Democrat. She was named an alternate delegate to the Democratic convention in Chicago that year and helped get an equal rights plank in the Democratic platform.

Her first big party for the Harry Trumans was held in 1945 just a month before he became President. The big affair, held at the Sulgrave Club, made news when singer Rosa Ponselle persuaded Vice President Truman to accompany her at the piano while she sat on top of it and did an impersonation of torch singer Helen Morgan.

When Truman became president, Mrs. Mesta, a frequent guest at the White House, decided to rent the former 2300 S St. NW residence of the Herbert Hoovers and entertain on an extensive scale. She gave three or four parties a week. Margaret Truman had a memorable dance there, with Mrs. Mesta importing a band from New York to play. There were three bachelors to every girl invited.

Other memorable Mesta affairs were a party for Army Chief of Staff and Mrs. Dwight D. Eisenhower at which the general sang "Abdul Amir," a white tie dinner for President and Mrs. Truman in 1947 at which Truman again played the piano, and a Christmas party at which the President played Christmas carols and his daughter Margaret sang.

In 1948 Mrs. Mesta joined the Truman campaign train to raise money, and was so successful that the President appointed her chairman of the Inaugural Ball to raise more money to pay off the Democratic Party debt. In the following months there were more Mesta soirees, including a dinner for the Trumans at which a young Representative named John Kennedy arrived wearing brown loafers with his tuxedo.

In July 1949, Mrs. Mesta was named Minister to Luxembourg. She had so many friends in Congress that the Senate Foreign Relations Committee approved her appointment without calling her to testify, and her confirmation sailed through the Senate. Both Mrs. Truman and Margaret went to New York for her send-off party aboard the "America."

The world in general, however, was waiting to see Mme. Minister fall flat on her face in her new job. In her book, Mrs. Mesta wrote:

"It took me only a few days in Luxembourg to discover that for the first time in my life, the cards were all stacked against me. The members of the legation staff resented the fact that they had been sent a minister who had no training whatsoever in the arts and duties of diplomacy." But the people of little Luxembourg welcomed her and in a very short time her democratic ways and warm interest in everything the people were doing earned her a permanent niche in diplomatic annals.

Combining her motherly feelings with her hostess know-how, Mrs. Mesta began holding open house every Saturday for GIs stationed in Europe. Eventually she entertained 25,000 American servicemen. Gen. Eisenhower, now Supreme Commander of NATO forces, and Mrs. Eisenhower flew in from Paris frequently to visit her, and Eleanor Roosevelt, who had once criticized her appointment, came to Luxembourg and afterwards wrote a warm and complimentary column that enhanced her reputation as an effective diplomat.

It was during her tenure in Luxembourg that Irving Berlin's "Call Me Madam" was launched on Broadway and became an immediate hit, with Ethel Merman in the starring role. The State Department ordered Mrs. Mesta not to attend because her presence would "tend to dignify a burlesque on a State Department official." But she got permission from President Truman to go and take his wife and daughter with her. They

winned at some of the jibes but thoroughly enjoyed the show.

Mrs. Mesta remained in Luxembourg for three months after Eisenhower became president. Before her departure Grand Duchess Charlotte of Luxembourg presented her with the Grand Cross of the Crown of Oak, the duchy's highest honor.

The biggest party of her career as a hostess was probably her party in London during the coronation of Elizabeth II in 1952. It drew everybody from the Crown Prince and Princess of Norway, Prince Bernhard of the Netherlands and lords and ladies of England, to Humphrey Bogart and Lauren Bacall. Mrs. Mesta called it her greatest party, although her convention extravaganzas in Chicago in the Blackstone Hotel in 1952 and again in 1956 are still remembered among the best ever given.

One of the great surprises of her life occurred before she left Luxembourg, when she received an official invitation to visit the then restricted Union of Soviet Socialist Republics. Mrs. Mesta wanted to take a friend with her on the trip but the Russians did not allow that. So she went alone equipped with a camera, four dozen rolls of film and a little black notebook, which she scratched in whenever possible and hid in her bosom. She managed to visit a steel plant that no American had seen since the war and other points of interest barred to American diplomats. After leaving Russia, she wrote a series of articles for the New York Herald Tribune about her visit.

The doughty dowager then took speech lessons, had some help in composing lecture, memorized it and went on the lecture circuit. In 1955 she picked up more material for her lectures by traveling around the world. Her experiences on that trip included a riot in Saigon which she described in breathless detail in her later talks.

The same year she moved into "Les Ormes" in Wesley Heights with her sister Margaret and brother-in-law George Tyson. It became the scene of more parties that were noted for, and sparked by, the bringing together of political opponents. (The name of the house was changed to the English translation, "The Elms," when it was purchased by Vice President Lyndon Johnson.) In the meantime, her life was dramatized on television's "Playhouse 9," with Shirley Booth enacting the hostess role.

Never one to mince words, Mrs. Mesta deserted the Democratic Party in the 1960 election and campaigned for Richard Nixon. Her invitations to the White House ended abruptly and were not resumed until Johnson became president, when she was again invited to the White House and was taken back into fold of the Democratic Party.

Mrs. Mesta wound up her active, colorful life entertaining on a smaller scale in her apartment at the Sheraton Park.

She is survived by her brother, William Skirvin of Oklahoma City, her nephew William Tyson, and her niece, Mrs. Lewis Ellis, both of Washington.

THE ENERGY CRISIS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. McDONALD of Georgia. Mr. Speaker, many people are led to believe that the Energy Crisis began in late 1973 at the time of the Arab oil embargo. But in fact the crisis had been building up for years and had been predicted repeatedly by industry spokesmen.

To those who understand the laws of economics and who are familiar with the energy industry, such a prediction was an easy task: Government interference in the economy had made a crisis inevitable.

Now, a year and a half after the oil embargo and after the extent of the crisis became clear to the American people, the Federal Government is still trying to figure out what to do about it. They do not know what to do because they are unable or unwilling to identify the cause, since this would require admitting that the Government was at fault and lead to a return to a free-market economy. Consequently most of the proposals put forth by the Government deal with reducing consumption, not increasing production.

It is never too late, however, for Government officials to recognize their fault and take corrective action. To do this requires an identification of the causes of the energy crisis. A good place to start is the following article by Robert G. Anderson, which appeared in the August 1973 issue of the Freeman. Not only does Mr. Anderson provide an excellent analysis of the nature and causes of the energy crisis, but he does it several months prior to the oil embargo.

The article follows:

THE ENERGY CRISIS

(By Robert G. Anderson)

The doomsday cultists of the mature economy seem to be at it again. These omnipresent tallmen of doom, so eager to have us return to a pre-industrial society of agrarian primitivism, have found new fodder for their propaganda campaign.

The incentive for their most recent burst of gloom has been the scare value of the current "energy crisis." Responding to publicized shortages in the energy field, certain ecologists insist we are exploiting our resources so rapidly that shortly there will be nothing remaining. Future generations, we are told, will surely perish unless something is done.

Such pessimism has been fueled by the confusion surrounding the rather unorthodox behavior of firms which are admonishing customers for excessive use of their services. Instead of seeking new customers to consume more of their services, there now is a concerted effort toward encouraging non-consumption.

This is, to say the least, a radical departure from traditional marketing practices. Yet, witness the electric utility company urging customers to "turn off the lights," and the natural gas company refusing to service new customers and reminding old ones to "turn down the thermostats." More recently the petroleum companies, acting under orders from the Federal Oil Policy Committee, have adopted "voluntary-allocation plans," resulting in limiting customer purchases of gasoline and early closings of retail gasoline stations.

Further complicating the crisis are those ecologists, who, seeing a growing problem of pollution, hamper and harass all efforts to expand supplies of energy, and plead for restrictions on the use of existing energy resources.

Indeed it would seem that the enemy is the consumer, whose excessive wants have finally exceeded all normal limits and have threatened to deplete a precious national inheritance. Unless these consumers are somehow convinced to temper their consumption, there is the danger that such shortages will occur as to spell final disaster for the lot of us.

VOLUNTEER—OR ELSE

Numerous remedies are being advanced as popular solutions to this crisis. The efforts by utility and petroleum companies to restrict sales voluntarily is lauded as being in "the public interest," for it is placing civic duty above mere profit-making. Through "educating" the consumer to consume less, it is believed, the demand for energy resources can be lessened.

Should such efforts fail, the ultimate remedy suggested is direct government regulation of consumption by bureaucratic rationing. Such an alternative is not idle theorizing. The Federal Government has made it clear that if "voluntary" methods fail, it intends to move in. Confronted with a picture of individuals glutting themselves on scarce economic resources and ravaging the earth of all its riches, there appears to be no alternative but to turn to collective, forceful action, complete with penalties for transgressions. The state at this point is seen as the only means available to force an adjustment to the reality of scarcity rather than endless abundance.

Once again we see the threat of government intervention in order to remedy the ill effects of an earlier government interference. The so-called "energy crisis" is a direct consequence of earlier government intrusions into the free market pricing process. To expect any good to come from further government intervention at this point is to believe that a person just run down by a truck would get relief if the truck backed over him again.

Market economics has always recognized the problem of scarcity. Indeed, it is the sole basis for the science of economics. An individual's capacity to want is insatiable, but possessing only a limited ability to fulfill his wants, the individual is never able to satisfy all of them. Clearly, choices must be made and resources allocated toward the accomplishment of those chosen ends. The process by which this is done is the concern of economics.

While a market system of economic organization cannot eliminate the problem of scarcity, it has demonstrated its superiority over all other systems of economic organization in reducing the degree of relative scarcity. The emergence of a social division of labor and concomitant price system has resulted in attaining the highest degree of efficiency in allocating resources toward the satisfaction of human wants.

Within the framework of a market-structured society the allocation of economic goods is accomplished through prices established by the actions of buyers and sellers. This interaction between supply and demand is never static, and thus there is a continually changing price structure. As greater quantities are demanded or supplies dwindle, prices tend to rise; conversely, prices tend to fall when lesser quantities are demanded or when supplies increase. Free market prices are constantly adjusting in order to bring toward equilibrium these opposing forces of supply and demand.

It is these free market prices that direct the actions of buyers and sellers. As long as buyers and sellers are free to act, as long as the price mechanism is uninhibited, economic goods will be allocated in a fashion that will always assure their availability to anyone wishing to enter the market. Supply will always tend toward equilibrium with demand.

SERVING WILLING BUYERS

This phenomenon of an equilibrium price, of course, has not eliminated the problem of scarcity. Instead, it can only assure that scarce goods will always be available to willing buyers. Prices serve as a means of allocating these scarce resources to those buyers who value them more highly than do others.

The justice of the free market lies in the fact that the most efficient sellers will prevail in supplying scarce resources to the buyers who most urgently seek these resources over all other potential buyers. Such a system is in a continual state of flux as new buyers and new sellers supplant one another and cause prices to correspondingly rise and fall.

The present "energy crisis" stems not from a problem of economic scarcity, but instead from nonmarket forces which are interfering with free market prices, and thus causing shortages to develop. The problem of economic scarcity is present in nearly every situation of our lives. We are not in an "energy crisis" now because energy is scarce, but rather because there is a "shortage" of it. Shortages are inconceivable in a free market structure; but they do occur whenever free market methods are abandoned.

The competitive actions of buyers and sellers in a free market system precludes any threat of shortages. The very essence of price allocation negates the development of shortages. A greater relative scarcity of a good in a free market situation will inevitably lead to higher prices as buyers bid against one another for the shrinking supply. For shortages to occur, some nonmarket force must be introduced to create the disequilibrium.

The "energy crisis" is an example of such interference. Of course energy resources are scarce; that is conceded. They always have been, and they always will be scarce. But the current shortages in the market have led many people to believe that we have encountered something worse than scarcity; all of a sudden there is a specter of a well running dry.

MISUNDERSTANDING THE CAUSES

Popular remedies being suggested are further confused by a misunderstanding of the causes of the problem. Certain forces which have contributed to an increase in the relative scarcity of energy, and other forces which have contributed to an increased demand for energy, are now being blamed for causing the shortages of energy resources. Such is not the case, for under conditions of an unhampered market these forces would be reflected in a changing price structure. Only direct interference with free price movements can cause the shortages.

A leading example of a force not responsible for causing the energy shortage, but certainly a factor affecting its supply and demand, is radical ecology.¹ Ecology is frequently blamed as the primary cause of the "energy crisis." As proponents for the preservation of natural resources, the ecologists have in many instances been successful in curtailing supplies of energy resources by hampering the construction of new oil refineries, electric generating plants, drilling operations, and pipe lines. Their efforts at preserving resources in their natural state, by harassment of utilities and petroleum companies, have undoubtedly restricted present supplies. Ironically, their success in forcing automobile manufacturers to equip engines with emission-control devices has greatly increased the demand for gasoline. (Presently these devices consume an additional three million gallons of gasoline daily.)

While a paradox can readily be seen between their efforts at preservation on the one hand, and the wasteful results of their efforts regarding pollution on the other hand, the fact remains that their actions cannot be held accountable for the current energy shortage. It is certainly valid to observe that to the degree they have curtailed supplies and have increased the consumption of energy, they have been a factor in causing

the prices of energy resources to rise. But ecologists can no more hamper price movements than can any other private individuals.

In the same context, forces such as import quotas, declining exploration, production controls on producing wells, tax depletion allowances, agreements between refineries and dealers, and even possible secret cartels have been advanced as the causes of our present crisis. Valid charges or not, any or all of these factors can affect only the quantities of energy resources supplied, and thus the ultimate market price. None of them, any more than the ecologist, can cause market disequilibrium in the form of shortages.

SHORTAGES FROM PRICE-FIXING

Shortages are a result of price-fixing by government interference in the market place. Specifically, the government, through both direct and indirect methods, has been successful in preventing the prices for energy resources to rise.

The developing energy shortage has been growing for a long period of time in the utility industries. The reason is obvious when we realize that direct price regulation by government has existed far longer in this area of our energy resources than within the petroleum industry.

State public utility commissions, the Federal Power Commission, and other government regulatory commissions have direct authority over rates charged for energy by electric power and natural gas companies. Unfortunately, these commissions mistakenly assumed low rates to be in the best interests of consumers of energy resources. Under the misguided notion that low prices for energy—rather than equilibrium prices—benefited the consumer, little attention was given to the developing disequilibrium between energy supplies and energy demanded.

For many years the disequilibrium has been absorbed in the capital structures of utility companies. This consumption of accumulated capital, with its ensuing financial weakening of the utility companies, gradually affected their capacity and willingness to attract capital for expansion of their energy resources. Production of energy became marginal, if not entirely uneconomic.

At the same time, demand for energy at the low rates continued to expand until the inevitable disequilibrium developed. Energy was being supplied in shorter quantities than were being demanded. Since additional quantities could not be supplied without incurring losses (at the low rates imposed on utility companies by the government commissions), these companies had no recourse but to deny service and to urge less use by their customers.

The failure of the utility industry to meet the full market demand for energy requirements had a "spill-over" effect on the petroleum industry. Customers, fearful that electrical power and natural gas supplies would be unavailable to them, sought greater quantities of fuel oil from the petroleum industry to meet their energy requirements.

TWO BLOWS AT ONCE

Unfortunately, this increased demand upon the petroleum industry occurred at a time when price controls on their industry had just been introduced. While the method of price regulation has been less direct than that experienced in the utility industry, the problems created are similar.

After many years of a government-imposed inflation of our money supply and resulting higher and higher prices, a government program of price controls was inevitably adopted. Abandoning all economic reasoning, the government established a "freeze" on prices of most goods and services, including petroleum products. Throughout the various "phases" of the price-control program, petroleum prices have not been able to reflect the changing forces of supply and demand affecting them.

Few industries failed to feel the pressures of the government price freeze; but the petroleum industry, along with other capital-intensive industries, felt the heaviest pressure. Inflation always inflicts the severest damage on industries with a heavy capital investment in their productive processes.

The capacity of such capital-intensive industries to calculate their economic costs is seriously hampered by inflation. Furthermore, the erosion of capital resources by inflation discourages future productive efforts by such industries. Accurate economic calculation becomes nearly impossible.

Thus, a government-imposed price freeze on the heels of a government-engineered inflation made a petroleum shortage inevitable. A combination of factors pressuring for an upward movement of prices only worsened the disequilibrium: the peculiarly sensitive financial position of the industry to inflationary pressures; ecological forces affecting their capacity to increase supplies while at the same time increasing the consumption of the product; and heavier consumption on account of a diversion of demand from the natural gas and electric power industries.

Obviously, had petroleum prices been completely free to respond to these changing facts and conditions there would be no threat of shortages. However, the petroleum industry like the utility industry, having lost its entrepreneurial freedom to resolve the disequilibrium through the price mechanism, found itself pleading with its customers to "not buy."

THE "SOLUTION" IS THE PROBLEM

The real cause for concern at this point is not the "energy crisis" so much as it is the solution the government will undertake to "solve" the problem of the shortages. Rather than admit the failure of government price interference and allow the free market to once again achieve equilibrium between supply and demand, the government more likely will propose the adoption of rationing.

The allure of rationing seems to be based on an egalitarian ideal which rejects the price system as a discriminatory relic of economic inequality, and thus not suitable as a means for the just allocation of resources. Regrettably, this egalitarian doctrine attracts many supporters and is one of the leading threats to the survival of individual liberty.

The concept of rationing is predicated on an archaic and totally refuted objective theory of value, yet its philosophical appeal has had an overwhelming influence in our political affairs. The notion that an equal distribution of goods to individuals will provide equal utility is a complete denial of modern theory of subjective value; but government rationing still insists on the allocation of resources in this fashion.

If selective rationing of energy resources should materialize, the consequences are quite predictable. The decline of profit margins will result in a capital shift away from such industries, and this will lead to additional shrinkage of supplies. Since capital always moves away from low-profit industries and into higher-profit industries, future production of energy resources must decline. The low prices imposed by government edict will ultimately be meaningless as, finally, no supplies will be produced at all by private companies.

The historical response to this development has always been the same. Whenever governments have finally succeeded in making a productive service completely uneconomic for private enterprise, they assume the function for themselves and nationalize the industry. (This "final solution," it might be pointed out, not only fails to solve the problem of scarcity but tends rather to intensify it.)

LOOK TO THE MARKET

The appropriate alternative to our energy crisis is to return to free market principles.

¹"A Conservationist Looks at Freedom," Leonard E. Read, *The Freeman*, November, 1970.

The consequences will not be pleasant, for the most probable result will be higher prices for energy resources than exist today.

Recent price movements in those few goods that have not been covered by the freeze give us a good contrast to the situation with respect to the controlled goods. For example, we have seen as much as a four-fold increase in the prices of some agricultural products in the past year because of inflation and other changes in the supply and demand picture. While such price rises have been a cause of much consternation to consumers, they have not resulted in shortages and subsequent rationing.

Should supplies of these agricultural products now increase (as well they might, because of their profitability), or if demand declines (because of consumer resistance to the high prices), then prices will again fall in a reflection of market actions of buyers and sellers.

While the government planners recognized the presence of these market forces in agricultural products and exempted them from direct controls, they failed to recognize that these same forces are at play with all economic goods and services. Instead, believing that prices of manufactured goods are somehow "administered" and immune from the economic laws of supply and demand, the government imposed the price "freeze" upon them.

As must always happen with an abandonment of economic reality, the edicts of government are falling victim to inexorable economic law. The ever-changing forces of supply and demand, continuing an upward pressure on the prices of energy resources, are making the "frozen prices" a relic of economic history. The growing disequilibrium between the government-manipulated prices and the actual forces of supply and demand precipitates the inevitable shortage.

If this "energy crisis" is to be resolved, there is only one alternative. We must return the allocation of scarce resources to the market. Freedom in the market place, so that the economic structuring of society is in the hands of individuals acting as their own free agents, is the only "final solution." Under such a system, the crisis of shortages is unknown.

FEDERAL HOUSING BANK

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mrs. SPELLMAN. Mr. Speaker, I am introducing today a bill to establish a Federal Housing Bank that would purchase mortgages having rates of interest no higher than 6 percent from the Federal National Mortgage Association and the Federal Home Loan Bank System, in the hope that such refinancing of these mortgages would stabilize the supply of reasonable cost mortgages. Senator HUBERT HUMPHREY, who has introduced the bill in the Senate, and I both agree that none of the Federal agencies designed to assure adequate home mortgage credit have done the job. These agencies include: the Department of Housing and Urban Development, the Federal Home Loan Bank Board, the Federal National Mortgage Association, the Federal Financing Bank, and the Federal Reserve Board. The failure of these institutions is premised on their ties to the financial establishment and

the failure of the financial establishment to buy mortgages when profit can be made in more lucrative credit areas.

This bill would make the Federal Government the purchaser of last resort of mortgages. This bill would set up a Federal agency to buy mortgages with interest rates below 6 percent at a pace keyed to national housing needs and goals.

For the first 2 years, the mortgages that the bank will buy will be secured by the construction of new homes. This will act as another incentive to revitalize the building industry in this country. After 2 years, the bank will purchase mortgages on existing housing. Under the emergency mortgage assistance portion of the bill it will purchase and refinance mortgages for homeowners of existing housing who are stricken by unemployment.

The buying activity of the bank will be keyed to the Nation's housing needs. The bank, each year, will survey the Nation to ascertain the need to meet the goal of a decent home for every American. The bank will then seek to buy enough mortgages so that housing starts are stimulated so as to help us reach that goal.

The bank will get the money to purchase mortgages from the issuance of bonds supported by the full faith and credit of the Federal Government.

The bank will have at least one additional and important task. It will provide emergency assistance to persons who because of unemployment cannot continue to meet mortgage payments. Where a person has been unemployed for a period of at least 6 months, and has no other major assets from which to make mortgage commitments he will be eligible for refinancing assistance from the bank. These mortgages would be securable by housing stock already in existence and would have interest rates of 6 percent or less. If this alternative is not sufficient the bank is also empowered to declare a moratorium on principal and interest payments for up to a year and a half.

The bank will prevent the Federal Reserve and the rest of the banking industry from strangling the housing industry in times of tight credit.

"SPIRIT OF '76"

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. GILMAN. Mr. Speaker, it was my pleasure to have recently sponsored an essay contest for high school seniors in the 26th Congressional District of New York with the theme "Spirit of '76" and what our approaching Bicentennial means to them individually.

Mr. Speaker, because these essays express such intense feelings of pride for accomplishments of our Nation in the 200 short years since our Nation was founded, I am pleased to submit, for the review of my colleagues, three essays

which were awarded honorable mention in the contest. The essays were written by Ms. Roberta Chinsky of the senior class of Clarkstown High School North, New City, N.Y.; Ms. Helene Teller, of the senior class of Pearl River High School, Pearl River, N.Y.; and Steve Cohen of the senior class of Nyack High School, Nyack, N.Y.:

200 YEARS OF PRIDE AND HOPE

(By Roberta Chinsky)

"We hold these truths to be self-evident, that all men are created equal . . . with certain . . . rights . . . Life, Liberty, and the pursuit of Happiness."

This declaration, written June 28, 1776, and passed Congress on July 4, 1776, has positive impact today in securing equal rights for women, blacks, Hispanic peoples, and other minorities; yet this proud heritage of an independent nation for all men was won at the cost of many of our forefather's lives. This fight continues today as we apply this heritage to securing freedom for the persecuted nations of the world.

"The Spirit of '76"—one of hope, exploration, courage, and helping others without personal gain—endures to this day to help us reach our goals. This 200 year period afforded many opportunities to apply this spirit and to aid our nation in growing to be what it is today. "Our country grew and prospered on that spirit. When all else fails, it is that spirit that will be there to guide us and keep us strong."¹

Our constitution and the bill of Rights has strengthened us by giving us a code of law and by insuring us of our freedoms and rights. A truly great heritage.

With the celebration of our bicentennial, we may feel proud of our heritage, our freedom, and our laws, and with this firm base, look forward to even greater freedoms for all people of the world so that we may share this heritage with all.

SPIRIT OF '76

(By Helene Teller)

Today, we live in a mercurial society in which the political, social, and economic conditions seem unrelated to our past experience as a nation. This is a misconception! Our situation is quite similar to that of our ancestors. They, also, experienced confusion about the solution to problems and suffered much the same sort of anxiety that we are enduring.

Presently, we face inflation, social divisions and a public attitude of apathy and distrust. We look for excuses to procrastinate, and to escape the involvement necessary to improve our situation.

The source of this indifference lies in the polarization of the American people which tends to make us apathetic towards government, leaving unsolved problems to erupt into crises.

We must realize that our present situation is not unique. Our Founding Fathers faced similar problems when they created our Federal republic nearly two hundred years ago. They were apprehensive just as we are today. They, however, did not ignore problems. They were not willing to risk the loss of fundamental liberties set forth in the Declaration of Independence, principles for which their brothers had given their lives. Instead they created a Constitution, upholding with the highest degree of respect, our unalienable rights, and the idea that governments derive their power from the people.

¹ America's Bicentennial, a speech by Ann Armstrong, delivered at the Alfred M. Landon Lectures on Public Issues, Kansas State University, Manhattan, Kansas, February 12, 1974.

Government was created for our benefit, and it is our duty to select people who will help solve our problems. We must not take for granted our forefathers' efforts. We must defend their ideals and preserve them from destruction.

It is now the time to rededicate ourselves to the Spirit of '76—as Dr. J. Warren once said:

"Our country is in danger, but not to be despaired of . . . On you depend the fortunes of America. You are to decide the important question, on which rests the happiness and liberty of millions yet unborn. Act worthy of yourselves."

—
SPIRIT OF '76

(By Steve Cohen)

As we approach our 200th anniversary, the time has come to look back and ask ourselves certain fundamental questions. After two hundred years of countless wars, economic depressions and domestic crises, does our system still function? Do the people still believe in that system? Do they stand behind all that this country was built on and stands for? Most of us will state with confidence that our system has functioned, our people believe in America and that our country will endure.

But how have the people been able to stand together in a country that has pitted North against South, rich against poor, black against white? How have they stood through the social and political divisions which in the eyes of some, have torn American apart? The struggle to preserve our Constitutional, social and political values has been an almost impossible one. Yet many times the people fought to preserve; and won. But why didn't they just assume the system to be a failure and give up?

The people have been kept together by a spirit. A spirit of loyalty and devotion toward all of that which represents America. This country has faced more complex problems than any other country in the world. Yet the people have endured and strived for a better way because of a spirit. A spirit which represents to all Americans that their country will always put the welfare of the people first, above anything else. It is that spirit which we shall celebrate on our 200th anniversary.

OUTER CONTINENTAL SHELF DEVELOPMENT — CONGRESSIONAL ROLE CITED

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, this morning's New York Times contains an editorial that underscores the responsibility that has been thrust upon the Congress as a result of the Supreme Court's decision on Maine against United States. We are now confronted with the challenge of developing public policy that will enable the responsible development of our Outer Continental Shelf resources. At the same time, we must address the vital issue of rights of those States whose economies and environment will be affected by OCS development.

The first aspect of OCS development that merits congressional consideration and action concerns the current leasing practices of the Department of the In-

terior. These practices allow the oil industry to explore and evaluate potential petroleum and gas reserves, withhold much of that knowledge from the public, and then bid for development rights on the basis of this confidential information. The most glaring defect of this system is that it ignores the public interest. U.S. energy resources belong to all the people of the United States—they are not the exclusive property of the oil industry.

I do not question the vital role that can be played by the industry in the development of OCS resources, and I am not opposed to those companies being able to obtain a fair return on their exploration and development investments. However, I do question their right to withhold exploration information from the public sector. In the absence of this information, we are hardly in a position to judge if bids received for development rights are realistic.

Mr. Speaker, it is clear that our Alaskan oil reserves and those reserves located on the Outer Continental Shelf will be our greatest hope for closing the U.S. energy gap for the short term. However, public policies regarding the development of these resources must include some consideration of the long-range strategic value of these reserves. We would be wise to husband these reserves very carefully while we develop alternate energy sources. Depletion of these reserves prior to the development of such alternatives as solar energy, nuclear fusion, and coal gasification and liquifaction would place the United States in an even more vulnerable energy position than it is today. OSC and Alaskan reserves are "the ace in the hole" for the United States. If we throw in this card too early in the game, we might end up as very big losers indeed.

Mr. Speaker, I am sure my colleagues will benefit from the thoughtful views in the New York Times editorial on the responsibility of Congress to assure that policies adopted for development of the Outer Continental Shelf are in the long-range, best interest of the entire nation, and take into consideration the needs and rights of the States that will be affected by such development. The New York Times editorial follows:

[From the New York Times, Mar. 20, 1975]

DECISION ON OIL

The Supreme Court's decision unanimously rejecting the claims of the thirteen Atlantic states to ownership of the oil and gas on their Outer Continental Shelf definitively places the responsibility for wise national policy regarding these resources where it has in fact always rested—in Congress.

Legally, there was never much doubt that the Court would rule that the Federal Government has exclusive dominion over the nation's continental shelf. The Court reached the same conclusion years ago in cases involving California, Texas and Louisiana. The arguments set forth by the Eastern states were not factually stronger or constitutionally much different.

Where the law leaves off, the policymakers can begin. Oil and gas have in recent years assumed a central importance in the nation's economic, diplomatic and strategic planning far more critical and urgent than they had a quarter-century ago. Much more is also now known about the environmental hazards of

oil spills and of the intensive on-shore development that such drilling can bring to shoreline communities.

Under the circumstances, it would be irresponsible for the Department of the Interior to rush ahead with leasing the unexploited sections of the Continental Shelf without the most careful consideration by Administration and Congress of both the short-term and the long-term implications of alternative lines of action.

MAKE HASTE SLOWLY

Fortunately, Congress does at last seem disposed to grapple with the real issues in this field. There is recognition that the Interior Department has long had relations of injudicious intimacy with the oil industry. The department is scarcely in a position to defend the public interest in these immensely valuable—and publicly owned—resources when it permits the oil industry to explore and evaluate the potential rewards, keep much of that information confidential, and then bid for the development rights on the basis of that knowledge.

Senator Ernest Hollings, South Carolina Democrat, and fourteen other Senators are sponsoring a bill to require the Geological Survey to conduct its own tests and explorations and to require the private oil firms to make available to the Government all of their information and their sophisticated interpretations of it. The Government would then be in a far better position to know what it is offering for sale.

The Hollings bill and other pending bills would also require the Interior Department to prepare a ten-year plan for the leasing of the Outer Shelf, taking into account the nation's total energy situation as well as the coastal-zone management plans of the individual states. Immediate exploitation of the oil off the Atlantic Coast, for example, might not be in the nation's long-term interests.

By depleting those resources in the 1980's instead of holding them as strategic reserves, the United States could wind up at the end of this century more dependent than ever on imports. Similarly, the billions of dollars invested in existing shoreline development on Long Island and the beaches from New Jersey to Florida are an economic interest that cannot be put in jeopardy without the most careful advance planning.

The formulation of a national oil policy is long overdue. It cannot be left to business as usual or Government by default. It is too complex to be devised in haste and too important to be decided in secret.

HIGH COST OF COMMUNISM FOR MARYLAND TAXPAYERS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the Washington Metropolitan area was visited this past weekend by Angela Yvonne Davis, a member of the Central Committee of the Communist Party, U.S.A.—CPUSA. On Friday, March 14, 1975, Miss Davis spoke at the University of Maryland College Park campus to some 1,500 people.

Reliable information indicates that Miss Davis was paid a total of \$2,500 for her 45-minute speech in Ritchie Coliseum—a rate exceeding \$55 per minute.

The breakdown of funding of her appearance was \$1,500 directly from the Student Government Association—SGA; \$500 from the Black Student Union,

whose funds are provided by the SGA; and \$500 from the Women's Center, whose funds also come from the SGA.

I find it interesting that the director of the Women's Center is a Julie Carlson, who is also a public campus representative of the Young Socialist Alliance. YSA is the youth arm of the Trotskyist Communist Socialist Workers Party. Obviously the various Communist factions found it expedient to unite in bringing Miss Davis to the College Park campus.

The Student Government Association funds are provided by the University of Maryland, and the taxpayers of Maryland are the ultimate source of the money paid to Angela Davis for her remarks on the "drowning" of the free enterprise system by revolutionary socialism.

In these times of economic distress, unemployment, and high taxation, the \$55 per minute paid to Angela Davis is an insult to the people of Maryland.

I would also note that one of the prominent radicals attending Miss Davis' speech was Stokely Carmichael, now the leader of a rival to the CPUSA called the All African People's Revolutionary Party.

Mr. Carmichael also made a recent appearance as a speaker at the College Park campus. On Wednesday, February 19, 1975, Stokely Carmichael was a guest lecturer in the Afro-American studies department course No. 429, "Special Topics in Black Development," a graduate level course which features special lectures on black political economics.

The accounts of the Davis and Carmichael speeches which appeared in the student newspaper, Diamondback, are most informative:

[From the Diamondback, Mar. 17, 1975]
EXPLOITATION, RACISM CONTINUE, DAVIS SAYS
(By Vanessa Tharps)

The general conditions of this country are rapidly deteriorating as the wealthy ruling class continues to exploit and oppress Americans, Angela Davis told a crowd of about 1,500 in Ritchie coliseum Friday.

"We need to open our eyes, because we are experiencing the most critical period in our society," said Davis, a member of the National Alliance Against Racism and Political Oppression and the American Communist Party.

According to Davis, the ruling class is a small minority of White men who wheel the country. Money rolls into the pockets of these men because they can employ Blacks, Chicanos and other people of color at lower rates.

"As corporations are attempting to recuperate their resources" Americans must suffer higher prices and increased unemployment, Davis said.

Because one third of the world's people are building a socialist society, she said capitalists are being drowned by ties formed between these countries.

"Socialists are not trying to fight for capitalism, but for socialism and their rights."

Many countries in the Middle East, Latin America, Africa and Asia are no longer allowing American corporations "to rip off" their labor and resources, she said.

Therefore, corporations must retreat because these countries are saying "we need these resources for ourselves and we will no longer suffer in oppression."

Davis said unemployment has affected 52 percent of United States families. The reported 13.4 percent for Blacks is an underestimation, she claimed.

Because the unemployment rates among Black teenagers is 65 percent, "a whole gen-

eration of Black folk will reach adulthood without ever getting jobs."

Women of color are hardest hit by this depression, according to Davis. Sixty five per cent of the women who work as domestics and support a family of three are earning less than \$1,000 yearly, she said.

Davis referred to the struggle for emancipation by women on campus as "a most severe struggle—a struggle from being brown, black, yellow, red, from being poor."

"You're enlightening yourselves here at the University, but how can you allow the medieval torture to go on only 20 miles from here at Patuxent?" Davis asked her audience.

The alleged experimentation and drugging of inmates is "humanly debasing" she said. Fifty six per cent of the male inmates are Black and 30 per cent are less than 18 years old, she added.

Davis, acquitted in 1970 of murder, kidnap and conspiracy charges, spent 22 months in prison. "I know what it's like in prison."

"The Brothers and Sisters in prison are doing all the suffering. They are suffering for us."

"Boston reveals a picture of the way racism is wielded at Blacks and Whites as well," Davis said.

"And Ford's refusal to send troops was just a way of throwing more fuel on the fire. As long as racism is on the rampage no militancy will be directed toward their (ruling class) power."

"If we all don't fight racism, we're all going to fight each other and go down the drain," Davis warned.

She urged support of the Black Student Union and Black Studies Program in order to damage racists.

"If we all don't act now, tomorrow may be too late."

[From the Diamondback, Feb. 21, 1975]

CARMICHAEL BLASTS CAPITALISM

(By Shirley Thomas)

Capitalism and Christianity were among the targets of the verbal battle launched by Black activist Stokely Carmichael here Wednesday.

"America is a backward country," Carmichael announced to the standing-room-only crowd in the Student Union's black and white room. "It pulls out the negative things, not the positive things."

Sponsored by the Afro-American studies department, Carmichael spoke on "Ideology in the African World."

Attacking U.S. capitalism, Carmichael said Americans are taught man is inherently evil. Overthrowing this economic system, he claimed, will allow mankind to shed such an image.

The direct answer to capitalism's exploitation of labor, he said, is socialism.

"The General Motors worker gets a wage scale," he said softly, "but the man who doesn't work gets a profit."

Carmichael said socialism's motivating force is man, while capitalism's is money. In the U.S., he explained, it is believed that a financial stimulus is all to which "basically evil" man will respond.

He said Christianity also supports the theory that man is evil and can only transform himself through an outside force.

"They want you to believe that a woman gave birth to a child without the sperm" he laughed. "When you get through with that one, they'll have you walking on water."

Carmichael also said the Christian ideology teaches man to sit back and pray, waiting for the outside force, presumably Jesus, to come and save him.

"Man can do anything he wants to do," he shouted suddenly.

Carmichael told the predominately Black audience not to be afraid to use all its talent for the betterment of Black people.

"Students are not passive objects but vibrant and dynamic people," he said.

Addressing himself directly to Black students, Carmichael claimed they are only here at the University as "concessions" made to the masses of people who staged protests in earlier decades.

"You didn't get here because you were smart," he exclaimed. "We always were smart. You didn't get here because you had money. Some of us always had money."

Carmichael said the "makers of history," Blacks who fought for their rights, are the only people to whom Black students must subordinate themselves.

He said the Black student should take his or her knowledge and lay it at the feet of those who gave him or her the opportunity to acquire it.

Speaking of Black people's lost heritage, Carmichael said he went through high school and thought "the world was Europe."

By ignoring Africa's contributions to the world, Carmichael said, historians make Blacks appear as if they never had the desire to "go home."

"When they can't deal with it, they leave it out," he explained. "They think if they don't record it, it never happened."

Carmichael said Marcus Garvey, a Black separatist of the 1920's, was "the greatest organizer the 20th century had ever seen," but was left out of history books.

However, Carmichael said, today Blacks know Africa is a part of the world and has a long cultural heritage.

One thing Blacks must do, he claimed, is decide what it is they are struggling for.

"I'm not fighting to sit next to a white person," he said. "I'm fighting to stop the control they have over our lives."

Carmichael told the audience to fight reactionary ideas "without mercy" because the "revolution" will not be over in five or even ten years.

"I encourage you to be strong," he said. "We can't lose."

INTERNATIONAL WOMEN'S YEAR:
CANADIAN INVOLVEMENT

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. FRASER. Mr. Speaker, 1975 is International Women's Year, and governments now have an opportunity to demonstrate their commitment to redress the discrimination and inequities faced by women. Canada has shown a particularly strong commitment, setting aside \$5 million in supplementary funds. One of the most outstanding Canadian programs is its Advisory Council on the Status of Women.

The council was created in response to a recommendation made in the report of the Royal Commission on the status of women. The council began operating in July 1973, with the mandate to bring before the government and the public matters of interest and concern to women and to advise the government on actions to improve the position of women in society.

In addition to keeping the government informed on women's concerns, the council has undertaken research, established programs, proposed legislation, and served as a central communication center for all Canadian women's organizations as well as such international organizations as the United Nations' Commission on the Status of Women.

The advisory council has selected priority areas on which to work toward early action by the Federal Government. The list follows:

Establishment of a federal Human Rights Commission;

Amendment to the Canada Labour Code to ensure equal access to job opportunities;

Amendments to the federal Superannuation Act to ensure equal pension and fringe benefit rights without discrimination on the grounds of sex;

Equality for women and inclusion of homemakers in the Canada Pension Plan;

Divorce Act amendment to reduce the waiting period from three years to one;

Ensuring on the dissolution of marriage that there is an equitable distribution to both spouses of property acquired during the marriage;

More equitable employment of women by the federal government;

Proportionate appointment to and employment by federal Boards, Commissions and Crown Corporations;

Citizenship Act amendments to give women equal rights to confer citizenship on their children;

Extension and improvement of day and other child care services;

Increased availability of information, referral counselling and other services through women's aid centres.

SCHOOL TEXTBOOKS ARE NOT SACRED

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 20, 1975

Mr. CRANE. Mr. Speaker, there has been much discussion about the contents of school textbooks, and this has been a healthy development for American education.

Unfortunately, our schools seem to be placing more emphasis on social and political "awareness" in their textbook selections than they are in transmitting to young people the ability to read.

The New York Times of March 18 notes that—

American school children have apparently slipped in their reading ability since the mid-nineteen sixties.

This is the conclusion of an as yet unreleased report, "Reading Achievement in the United States: Then and Now," based on a research project sponsored by the Department of Health, Education, and Welfare.

While young people seem to be reading less well than previously and while controversy rages concerning violence and sex on television as a contributing factor to crime on the part of young people, many textbooks used in our schools seem filled with the same objectionable material.

In the entire textbook dispute which has emerged in West Virginia, in Maryland, and in other parts of the country the basic issue is whether the schools are to educate young people in our traditional values or, to the contrary, are to educate them away from such values.

Discussing this debate, Jenkin Lloyd Jones notes that—

The fundamental issue is this: Is a textbook selection committee immune from audit? The cries from the education establishment would indicate that school reading lists come down from Mount Sinai and must be accepted as gospel. Rot!

Mr. Jones states that—

There is an area in which common sense must prevail. But just as a newspaper editor is responsible for what his paper tells the reader, so are schoolbook selectors responsible for what the books say.

I wish to share the column, "School Textbooks Are Not Sacred," by Jenkin Lloyd Jones, as it appeared in Human Events, with my colleagues and insert it into the RECORD at this time:

SCHOOL TEXTBOOKS ARE NOT SACRED

(By Jenkin Lloyd Jones)

When a group of parents in Montgomery County, Maryland, circulated a handbill recently protesting books on the public school reading list that included Eldridge Cleaver's *Soul on Ice* and Wardell Pomeroy's *Girls and Sex*, the editor of the *Montgomery Journal* described the protest as "garbage."

But when the protesters challenged the editor to carry in his newspaper verbatim selections from the complained-of books, he pleaded that "it would be the height of irresponsibility" to print such material in a family newspaper. If this isn't a howler, it will do, as Damon Runyon used to say, until one comes along.

There is nothing new about protests over approved school reading lists. Charges that teachers corrupt the young predate Socrates, who drank the hemlock upon conviction. But the matter heated up last spring when a member of the Charleston, W. Va., school board objected to the fruit of the textbook selection committee and, after patrons began pawing through the books, a major school boycott got under way.

West Virginia was made to order for a four-plus case of liberal hysteria. Wasn't this the country of the Hatfields and McCoys? Isn't it in West Virginia where people take up snakes?

The New York Times editorial was predictable:

"Even here in the heart of the Appalachian coal fields, where the airwaves are full of emotive radio preachers' fire and brimstone and roadside signs carry the bullet pocks of beery Saturday night automobile snipers, the Fundamentalist bill of particulars seemed too thin to many this week to explain the near chaos that is still disrupting Kanawha County and West Virginia's capital city."

The Times didn't elaborate on who these "many" were who felt that there were no grounds for complaint, nor did it print any of the sexual stuff that had the West Virginians on their ears. Readers could only take the Times' word for it that there was no fire beneath the smoke.

But Dr. Benjamin Fine, education writer for the North American Newspaper Alliance, found a reign of terror. He described the textbook quarrel as "the greatest wave of book burning and teacher fear since the McCarthy era."

Because U.S. Education Commissioner Terrel H. Bell had suggested that publishers edit their texts so as not to "insult the values of most parents," Fine feared that this "incredible and astounding advice would set back education a century or more."

If respect for parents' values would set education back 100 years it is fair to ask what it is in the protested books that is advancing education. I'm in the same jam as the editor of the *Montgomery Journal*, since I'd like to keep this a family column. But I might essay one very mild sample of

recommended school reading in the Montgomery case:

"A tall, red-headed chick. She had been mainly a whore with very expensive johns who would pay her \$100 a shot. And she was a very lively chick who took a lot of pot. . . . I had a special regard for her because she really put herself out to straighten me out, and here she was like a big, expensive whore."

This is literature?

Education is a conditioning process. When Pytor N. Demichev took over as Soviet minister of culture in November he affirmed his determination that all Soviet media should show Russia in its most favorable light.

This, of course, a free society rejects. But schools can condition children, not only to betray themselves but to hate each other and their country as well.

To dismiss schoolbook protests as yahooism and red-neckery could be superficial. For one thing, the antiprotect crowd conveniently forgets that the NAACP started the school reading censorship drive by knocking Little Black Sambo and Huckleberry Finn off the shelves. Are the fierce anti-honkyisms of Eldridge Cleaver which the NAACP has been pushing onto the reading lists more holy?

Dr. Fine is horrified that Commissioner Bell likes the old McGuffey readers of a century ago. But William Holmes McGuffey pumped in heroic tales, moral homilies and national pride, and his children could generally read bigger and tougher words than children of the same age can today. Is this so awful?

The fundamental issue is this: Is a textbook selection committee immune from audit? The cries from the education establishment would indicate that school reading lists come down from Mount Sinai and must be accepted as gospel. Rot!

Overheated citizens' protest groups can indeed overcriticize.

There is an area in which common sense must prevail. But just as a newspaper editor is responsible for what his paper tells the reader, so are schoolbook selectors responsible for what the books say.

Whatever gave our "liberal" totalitarians the idea that to question their performance is to burn a witch?

A RESOLUTION PROVIDING FOR THE DESIGNATION AND ADOPTION OF THE AMERICAN MARI-GOLD AS THE TRADITIONAL FLOWER OF THE UNITED STATES

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1975

Mr. FITHIAN. Mr. Speaker, the Farm Bureau of La Porte County, Ind., has designated as its Bicentennial project the encouragement of Congress to adopt the American marigold as the Bicentennial emblem of the Union; and the Indiana General Assembly also endorses the adoption of the American marigold as the Nation's floral emblem.

I would like to take this opportunity to include my support and endorsement of this beautiful and wholesome flower as the traditional flower of the United States.

My own home State of Indiana has in itself made history by being the first State in the Union to formally pass a resolution endorsing the adoption of the American marigold as the Nation's floral emblem. They, along with myself, are

now leading the way for other States to join in this endeavor.

I commend the Farm Bureau of La Porte County, as well as the Indiana General Assembly, for their efforts in this proposal and urge my fellow colleagues to join with the great State of Indiana in the support and passage of this resolution.

NEWSLETTER TO CONSTITUENTS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1975

Mr. WOLFF, Mr. Speaker, periodically, I distribute a newsletter to my constituents in a continuing effort to keep them informed of my activities as their representative in Washington. And often, I use the newsletter as a vehicle to obtain their views on major issues, thus allowing me to function more effectively on their behalf on Capitol Hill. I would like to share with my colleagues my latest newsletter:

DEAR FRIEND AND CONSTITUENT: I am most pleased to report that the House Foreign Affairs Committee has selected me to be Chairman of the new Subcommittee on Future Foreign Policy Research and Development—a post that will enable me and my colleagues on the panel to investigate worldwide problems, determine their impact on domestic conditions, and recommend correlated Congressional action and legislation that will give first consideration to the security of the American people.

I am especially gratified that this new assignment affords me great latitude to examine the inter-relationship between occurrences at home and abroad and to derive solutions to the many problems that beset us in an increasingly interdependent world. Specifically, my committee will be a "watchdog" over future U.S. involvement abroad to seek out that which is wasteful or imprudent or ignores our pressing domestic needs.

Be assured we intend to closely scrutinize every aspect of our foreign policy and aid programs to insure that America's self-interest and our people receive first priority.

Sincerely,

LESTER WOLFF.

WOLFF STRIVES TO GIVE TAXPAYERS A BREAK

The wage earning, "middle income" family, more than any other income group, is being stifled today by excessively high taxes on income and property and for sales and services. The half-way measures, coupled with the righteous pleas for "more thrift," as advanced by the Administration, simply will not ease the burden, nor will they increase the working man and woman's spendable income.

The multi-faceted dilemma of inflation, a depressed national economy and rampant unemployment must be remedied with direct legislation that will provide immediate relief for the overburdened taxpayer.

The Tax Reduction Act, passed by the House last month, provides for an \$8.1 billion rebate on 1974 income taxes, an \$8.1 billion reduction in 1975 withholding taxes, a \$5.1 billion in business tax cuts, and at long last an end to oil and gas depletion allowances—an action I have called for ever since I first entered Congress 10 years ago.

However, the tax cut is not enough to stimulate the stagnant economy and open up new employment opportunities. The re-

bate will do nothing more than provide a little extra cash to offset overdue debts and current expenses. Next year's "withholding" reduction, minimal at best, will not be realized in time to meet current pressing needs, nor will the tax breaks to business be soon enough to spur production.

I believe corrective measures must be taken now—this Spring—to relieve the tax burden, especially on the wage earning "middle income" family. I have re-introduced in this new Congress the series of bills I know would return meaningful amounts of spendable income to the pocketbooks of taxpaying men and women and which could be implemented almost at once.

These would include tax credits to families of limited income for the cost of higher education; a flat 25 percent deduction of rent paid by tenants; a tax deduction for the cost of traveling to and from work by mass transit facilities, and would permit the disabled and handicapped to deduct the annual cost of taxicabs and other transportation needed to perform essential daily activities.

Further, my proposed legislation would permit an exemption of the first \$5,000 of retirement income for persons 65 years of age or more; would permit tax deductions for the cost of installing crime prevention equipment and for medical expenses and theft losses to victims of crime—an increasing problem plaguing both our suburban and urban areas. To cope with the high costs of home heating oil, the tax legislation I am supporting would grant a deduction for the expense of installing fuel conserving insulation materials.

And, significantly, my bill to allow an income tax deduction on interest (up to \$800 a couple) from deposits in savings institutions would not only give the taxpayer a break, but would spur deposits to generate new activity in the housing and building sector of our economy.

Interest must be reduced, across the board, to allow American industry to expand without being shackled by onerous costs that make it impossible to contain inflated prices. For example, lower interest rates would provide the necessary momentum to the home building and construction industry to infuse new life into the economy. We also must make certain that provisions of the "buy American" laws are maintained on U.S. projects undertaken in foreign countries where too frequently the State Department does not insist that American labor and materials be utilized. As a member of the International Operations Subcommittee, I intend to ride herd on this type of activity that only fuels the flames of recession.

While I believe the government should be the "employer of last resort", it must act now to curtail the unemployment that is devastating our economy by providing emergency public service jobs that will serve to reduce the burgeoning welfare rolls.

WOLFF ARES ISSUES ON TV AND RADIO

"Ask your Congressman", WOR's public service radio program, moderated by Rep. Wolff, now is aired in the tri-state area Sundays at 4:45 p.m. The program features Congressional and civic leaders discussing issues of national and local concern and is similar in scope to "Ask Congress", the non-partisan weekly television show, also moderated by Rep. Wolff, which may be viewed Thursdays at 9 a.m. over WPIX.

KEY LEGISLATION

The following itemizes the legislation proposed by Rep. Wolff to afford immediate taxpayer relief. All Bills would amend the Internal Revenue Code to permit certain additional deductions and exemptions and

are now before the House Ways and Means Committee:

H.R. 3068—to allow a tax credit for certain expenses incurred in providing for higher education.

H.R. 3069—to permit tenants a deduction on 25 percent of their annual rent for that portion attributed to property taxes.

H.R. 3070—to grant commuters a tax deduction for expenses incurred in travelling to and from work on mass transit facilities.

H.R. 3071—to permit the disabled and handicapped to exclude the annual costs for taxicab fares and other essential transportation.

H.R. 3073—to allow deductions for the cost of installing crime prevention equipment and to provide tax relief for victims of crime.

H.R. 3074—to exempt persons 65 years and over from federal income tax on the first \$5,000 of retirement income.

H.R. 3075—to exclude from gross income the interest on savings bank deposits (to \$400 a person, \$800 per couple).

H.R. 1505—to permit a tax deduction for the cost of installing home insulation for fuel conservation purposes (co-sponsor).

AN INTERVIEW WITH DR. ROBERT SEAMANS

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1975

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I would like to call to the attention of the Members of the House of Representatives a very interesting article which appeared in the winter 1975 edition of St. Albans Bulletin. It is an interview with Dr. Robert Seamans, Administrator of the Energy Research and Development Administration. Dr. Seamans' distinguished career has included 10 years as Secretary of the Air Force, Deputy Administrator of the National Aeronautics and Space Administration, and president of the National Academy of Engineering.

The text of the question and answer interview with Dr. Seamans follows:

AN INTERVIEW WITH DR. ROBERT SEAMANS

Question. How is the United States being altered by energy considerations?

Answer. Certainly we can anticipate important changes as a result of the energy situation. The embargo and subsequent quadrupling of the price of oil—among other reasons—have affected our economy rather dramatically. And we can expect the gap between our demand, on the one hand, and our domestic supply, on the other, to be with us for some time. The President has a plan to bring it back by 1985 to a tolerable level; but even then, it will take a prodigious effort here. There is going to be a great need to conserve, a lot of pressure to live more frugally than we have in the past. Where we have been profligate in the use of our resources, in the future we're going to have to be more careful. It's going to change our lifestyle in that regard.

Question. Does this effort call for a basic re-education of Americans or is the understanding already there from which this can be forged?

Answer. No, I think it does call for a re-education. People still don't quite believe it even though they are beginning to appreciate it more than they did. When the embargo took place, people thought that it was not

a real thing, that there were really plenty of tankers out there just waiting to come in when the price went up, that somehow or other the multinational oil companies were in cahoots with the Arabs. Some of this is beginning to be understood; people are coming to realize that this is really a pretty fundamental issue we are facing and that—even if we hadn't had the embargo, even if the price hadn't gone up—the time is coming when we are going to run out of fossil-fuel energy. There is a need here at the secondary-school level, as well as at all levels, to make people understand that we live in a finite world with finite resources and hence we must learn to conserve and to use energy more efficiently. But the demands are going to go up anyway—in part because the population is increasing and in part because many, many disadvantaged people around the world, including our own country, aren't satisfied with their present situation. All of these factors tend to push up the demand, and I think an understanding of this is terribly important.

Question. Do you see specific areas into which education should be moving and is not?

Answer. The energy crisis is a general proposition, and it is bound to affect everything. It's going to affect our own institutions—public and private; it's bound to influence the world of politics as well, the interrelationships between countries and so on. But actually there are a lot of specifics here too. Because I am a technically oriented person, I would like to see more emphasis on science and technology. It's not the sole answer, obviously, but I think it's been a little out of favor lately. Secondary schools should place greater emphasis on math and science. I see there is a course in ecology at St. Albans. I think that's great, and I'd like to see that expanded. By having these kinds of courses at the secondary level, more students will be interested in going to technically and scientifically oriented colleges, and that would be very healthy. I've been working on this from a rather specialized standpoint in the last two years in regard to minorities going into engineering. A number of the reasons why they haven't involve economic factors; they haven't been able to get the education to compete. But part of the problem goes back to the counseling in high schools; people haven't heard, don't know what an engineer is, whereas it can be a terribly exciting career. We're going to need more engineers in the future. They're going to explore different fields than they have in the past.

Question. After Sputnik, the secondary schools were inundated with new science and math programs. Has that push fizzled?

Answer. Well, these things ebb and flow. They tend to be exaggerated. Engineers were laid off in aerospace; and because of these kinds of layoffs, the enrollment in engineering schools went down dramatically. For a layoff of perhaps 3% or 4%, the engineering enrollment was dropping 30%. Now enrollment is no longer dropping; it is starting to increase but still isn't up to the level it should be at.

Question. So much of the energy news of the past year, particularly that generated by the dramatic events such as the Rome Conference, tends to be almost apocalyptic. Does this enter into your range of considerations?

Answer. It's very important that we understand what is going on but that we don't get so discouraged by it—which is fairly easy. We mustn't reach the conclusion that we can't do anything about it, so we might as well relax and live as we are as long as we can. I don't take that gloomy view, but I'm afraid I sometimes sound gloomy because I have to convince people that I have a problem. But it's very important not to overdo it.

Question. What percentages of your time do you devote to diplomacy, politics, administration, and science?

Answer. When I think about that, I may tend to overemphasize the technical. Other fields are terribly important. The whole area of business and finance is crucial; raising the capital to build all the new plants is going to be very difficult. The whole field of negotiations and diplomacy, of foreign affairs is another terribly important concern. There are a lot of exciting things to do other than the technical. As to my own job, I cannot put percentages on it, but right now I'm not doing anything that I can say is technically innovative. I spend time on the programs, however, so that I can understand them and get some idea of the level of resources which might make sense in terms of people and dollars. I obviously must spend considerable time on administrative and personnel matters, particularly right now when we've got to attract key people and when we need a new permanent facility here in Washington. There are many very special administrative problems that relate to procurement practices, incentives, patent policy, and all kinds of things of that sort. And then I have to spend time on planning, not only within the organization but with other organizations such as NASA, The Department of the Interior, the Science Foundation, Federal Energy Administration, etc. And then certainly there is a great deal to do with the Congress, to explain to the many members and the committees what the program really is and to gain their support for the President's budget. And then finally, in the broad field of geopolitics, diplomacy, there is a great deal to be done. For example, we have a joint-study program with the Iranians; I'm the co-chairman along with an Iranian who is head of their atomic energy work. They are doing quite a bit in the nuclear field, recognizing that even their oil supplies won't last forever. I'm also doing a great deal of work related to the consumer nations—the Europeans, the Japanese, and the Canadians. I've been meeting with the British, and I'm soon going to be meeting with individuals from some of the other countries, but most of the time so far I've spent working with our own State Department on international matters. It's a terribly exciting job just because it does get into so many different fields of endeavor.

Question. In your search for talent, are you finding genuine excitement in the scientific community?

Answer. Yes, I'd say there is some similarity to the period when I first joined NASA. People then were excited about going out into space.

Question. Is there a Tom Swift somewhere around the corner with a magic machine?

Answer. I wouldn't count on it although there are several fields which may produce true breakthroughs. The area of fusion is exciting because it could produce—well I hate to say unlimited energy—but it could make a fantastic difference. But at this time we don't even know whether it is scientifically possible much less whether it is going to be possible from an economic or engineering standpoint. The temperatures at which fusion takes place are up in the millions of degrees centigrade, and containing reactions that occur at those terribly high temperatures is a real challenge. There are two areas to consider—magnetic confinement and laser confinement since obviously no metals, no substances will withstand those temperatures. That's one area. We are also working on solar and geothermal energy; but for the near term, the next 15 to 20 years, we are going to have to rely on coal a lot more than we have. This gets into issues on how to convert coal into gas and liquid form. It's just not enough to have the energy; it's got to be in the right form to use it. And at this time anyway, we cannot go into a completely electric society. Cars, for example, have not been developed that will run on

batteries very long, but someday we'll have them.

Question. And coal also leads to the problem of balancing energy and environmental concerns.

Answer. Yes, one whole office, one of the six key program offices in ERDA, is for environmental and safety concerns because you cannot develop some new technology and say, OK now we're all set, unless you consider the environmental from the beginning and get that into the design precept right from the start.

Question. Balancing energy and moral considerations at the same time must present a terrific challenge.

Answer. These are the kinds of issues that should come up for discussion here at the School and at other secondary schools. The United States, with 5-6% of the world's supply, is using one-third of the world's energy, for example. What are our responsibilities? The concept of the President's message of shifting over to the point where we can assist others in the field of energy is a very good way to look at it rather than thinking in terms of how we can be independent. We must realize that we cannot be independent. We are interdependent with other nations, and we must use our technical and other resources to be in a position to help others.

Question. Certainly, the attempt to put the United States on the defensive was a large thrust at the World Food Conference. Do you find yourself having to assume a defensive posture in your international dealings?

Answer. Not yet—I may. I gave a lot of thought to the food problem—although this isn't what we are here to discuss—when I was at the Academy; and there is a very, very grave moral issue here, one that Dr. Handler, the President of the National Academy of Science, has considered extensively. The problem is that there is nothing we can do, even with our Midwest and all the advantages we have, to feed the whole world. This just is not possible with the amount of land that we have. Yet when you look at some of the places in the world today where people are living in perfectly horrible conditions, you certainly see that we have a responsibility to do what we can to ease their burden. Certainly we must help other countries to develop the capability to help themselves; we have that responsibility. But to allocate these finite resources which don't match the need is really a tough problem.

Question. How have your work with NASA and your present work fused together?

Answer. Of course there is some similarity in that both are part of the Federal Government; both have involved science and technology, the process of budgeting and going up every year to Congress, running laboratories and establishing contracts with industry and universities. But it tends to be a different set of technologies. It's also important for people to understand that at NASA the objective was to do the research and development so that NASA could carry out missions for which NASA was responsible. We had to develop liquid-hydrogen engines so that we could put them on the Saturn vehicles so we could then go to the moon. Now that's not the case in ERDA. The ultimate operation is not a government mission; it's not an ERDA responsibility. Right now it is completely diffused throughout our whole economy; the delivery system in the case of energy shows up in many different industries and is primarily in the private sector. How do we do the development and take the responsibility for research and development in ERDA in such a way that it is properly available to the private sector? That's a very, very difficult question. We presently are financing the highly speculative work 100% in government; then as we go to pilot operations—experi-

mental operations—we have partial industry funding, perhaps one part industry to two parts government. With full-size demonstrations, we split the cost, maybe 50/50, with industry. From then on it's up to industry to take it on. But those kinds of programs are often more difficult to run than the programs we had in NASA because if a company is going to put in half the funding they are going to expect some say in how the project is managed.

Question. Is "crisis" right or is "challenge" a better word? Do you have a preference?

Answer. There is no question that it is a challenge. It's a challenge right now and it's going to be a challenge for all the students who are here now and 10-15 years from now. It's not something that's going to go away. But it will be a crisis if we don't accept the challenge.

THE PENSION PINCH

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1975

Mr. DOWNEY. Mr. Speaker, for too many years now, the economic problems of older Americans have been largely ignored. Although we may have been aware of the situation, we did little to improve it and that is why today, with our economy in such bad shape, many of the elderly face a desperate struggle just to stay alive.

That struggle has become so difficult and so widespread that it is finally receiving more attention. The new House Select Committee on Aging, of which I am a member, is just one sign of our national recognition of the problem. And the Nation's journalists have brought some of these sad stories vividly before a growing number of American people.

A recent column by Jack Anderson is a fine example of the kind of media attention that may push us to move faster in our present efforts to assist our senior citizens. I would like to take this opportunity to bring his column to the attention of my colleagues:

THE PENSION PINCH
(By Jack Anderson)

The most pathetic victims of the economic squeeze are the elderly, who are described in a confidential Senate study as the nation's "most economically disadvantaged age group."

Their story is best told in human terms. From geriatric ghettos across the country, they have written to us about their troubles:

A Miami couple, in their early 70s, dreamed of retiring on a comfortable pension after a lifetime of hard work. Inflation has now stretched their pension check so thin that they can no longer afford the basic necessities.

A 73-year-old Cumberland, Md., woman can't squeeze enough money from the \$89 monthly pension to buy eyeglasses and teeth—"the first things that go wrong," she wrote, "as a person gets older."

A devoted Chicago husband scrapes together his retirement pennies to buy an occasional slice of his wife's favorite imported cheese—the only luxury he permits himself.

A Bluefield, W. Va., widow was compelled to give away her beloved pet cat because she simply can't afford to feed him.

A Greenville, Miss., woman summed up the feelings of many senior citizens in these poignant words: "The elderly people, who worked all their lives, gave and gave to the

government and now they are made to feel like worthless people."

Not only are a higher percentage of senior citizens already "living in poverty," according to the Senate study, but the job pinch hits them harder than any other age group. During hard times, for example, older workers usually are released ahead of younger workers and remain longer in the unemployment lines.

The confidential background study, prepared by the Senate Committee on Aging, shows that the jobless rate for workers over 45 almost doubled during the last six months of 1974. Yet "these figures really understate the true dimensions of the joblessness picture for older workers," the document says.

Not counted in the statistics, for example, are those "who have dropped out of the labor force after prolonged and fruitless searches for work."

Others simply have been retired prematurely. For most of them, this means starvation Social Security benefits, with little supplemental outside income. "Even when benefits from other federal programs are considered," states the study, "only one out of three couples and one of six other beneficiaries have a second pension."

Their plight has worsened, of course, as the skyrocketing inflation rate has outdistanced Social Security payments. Under federal law, Social Security benefits are supposed to keep up automatically with the consumer price index. But the study declares grimly: "In the four areas where the elderly have their greatest expenditures—housing food, medical care and transportation—the increases equalled or exceeded the overall consumer price index."

Yet President Ford's response has been to slash rather than expand federal help for the elderly. Here are his heart-wrenching proposals:

He wants to hold down Social Security increases below the Consumer Price Index. The law mandates a projected 8.7 per cent rise in Social Security payments; the President would reduce this to five per cent. For 31 million Americans, many of them already subsisting on inadequate diets, this would mean an average \$80 less a year.

The President would like to reduce Medicare outlays by nearly \$1.3 billion in fiscal 1976. For ailing senior citizens, the cost of a 30-day hospital stay could jump from \$92 to \$375. The shocking fact, states the report, is that "the elderly now pay more in out-of-pocket payments for medical care than the year before Medicare became law."

Ford is also trying to cut \$9 million from federal programs which help senior citizens to live in their own homes. This would force thousands into cold, clinical institutions.

He hopes to trim another \$8 million from training programs, which are critically needed to alleviate the shortage of trained personnel serving the aged.

He has asked Congress to slash \$25.4 million from the nutrition program for the elderly. This is perhaps the cruellest statistic of all, which would mean malnutrition for thousands.

The President wants to withhold the entire \$12 million appropriation for the Older American Community Service Employment program to provide jobs for older workers. Yet in the past six months, the number of workers over age 54 who have been thrown out of their jobs has jumped 52 per cent.

He also sought to increase the charges for food stamps, which would have forced as many as half of the elderly recipients to drop out of the program. But providently, Congress has already rejected this proposal.

After studying President Ford's plans for the elderly, Sen. Frank Church (D-Idaho) said: "The President is either unaware or doesn't care sufficiently about the problems of senior citizens today—so many of whom are confronted with unpaid heating bills,

foodless days, costly prescriptions and poverty."

A footnote: The confidential study will be used by the Senate Committee on Aging as background for hearings later this month. Proposals will be considered to make the Social Security Administration an independent, nonpolitical agency; to prohibit the mailing of political announcements with Social Security checks; and to separate Social Security transactions from the regular federal budget. The committee will also focus on the impact of inflation on the elderly.

U.S. CREDIBILITY ON TRIAL

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1975

Mr. BOB WILSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

[From the San Diego Union, Feb. 28, 1975]
U.S. CREDIBILITY ON TRIAL

There are really two issues in the debate between the Administration and Congress over sending additional military and economic aid to Cambodia and South Vietnam.

One is quite obvious—whether it is worth another \$522 million in U.S. aid to keep those two countries from falling to the Communists. President Ford and Secretary of State Henry Kissinger believe Cambodia may collapse within a month without a continued supply of weapons and ammunition from the United States of America. South Vietnam's prospects for survival without additional U.S. aid are reckoned in terms of a few months, but the fall of Cambodia would open the way for Communist forces to step up their pressure on Saigon and that timetable might not hold.

The other issue is of much greater consequence to the United States than the fate of two countries in Southeast Asia, as portentous as their fall would be in terms of the future of that part of the world. What is at stake is the credibility of commitments which the United States has made to scores of allies in the last quarter-century.

Congressional leaders are not impressed by the fact that a cut-off of U.S. aid at this time would be disastrous for the Cambodians and South Vietnamese. They say enough is enough. However, they fail to look beyond this narrow issue to the impact of such a decision in other parts of the world.

Some of the same members of Congress who would have us turn our backs on a commitment to Southeast Asians would be aghast at the suggestion we reconsider our commitment to the survival of Israel. That would be an invitation to another war in the Middle East. The hope for a negotiated settlement there is based on a balance of power which the United States has committed itself to help maintain.

If such commitments become questionable, what becomes of the 20-year stand-off between North and South Korea? Why should the Soviet Union be impressed by the North Atlantic Treaty Organization, whose defense of Western Europe is based on a U.S. commitment?

Another appropriation of aid for Cambodia and South Vietnam does not mean that either of those countries is going to "win" the long war that each has been fighting against Communist aggressors. However, it will signal to the Communists that they are not going to win, either, and it is that principle which must prevail if there is to be any hope for a negotiated peace in Southeast Asia.

South Vietnam and Cambodia pinned their futures on the word of the United States when the Paris agreements were signed in 1973. We cannot go back on our word to them without causing both our friends and potential enemies to question the defense commitments of the United States which are now the cornerstone of world peace.

**THE HONORABLE EARL B. RUTH
SWORN IN AS GOVERNOR OF
AMERICAN SAMOA**

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 21, 1975

Mr. ROUSSELOT. Mr. Speaker, I wish to congratulate my good friend, Earl B. Ruth, on his recent inauguration as Governor of American Samoa.

In his new position, Governor Ruth will utilize the many talents he demonstrated during his three terms in Congress as the elected Representative from the 8th Congressional District of the State of North Carolina. Earl was a constructive and hard-working member of the Appropriations Committee and his colleagues valued his expertise and firm grasp of committee assignments. Earl contributed much to the understanding of the House in the field of fiscal affairs and his presence and sound counsel have already been missed. Once again, I congratulate Earl, and wish he and his wife, Jane, much success and happiness in Samoa.

In conclusion, I would like to share with my colleagues the following news bulletin describing Governor Ruth's inauguration:

[Published by the Office of Samoan Information Pago Pago, American Samoa]

GOVERNOR RUTH SWORN IN

There are some wise Samoans who say that if rain falls during an important occasion, it is a very good omen. Others say its a sign that the Good Lord is bestowing his blessings.

If the inauguration of Governor Earl B. Ruth is any indication, the former congressman from North Carolina should do an excellent job, with the help of an abundance of blessings from the Good Lord.

To put it briefly, the heavens literally

opened up—and ironically, just during the period of the inauguration ceremonies.

The inauguration began as scheduled, under threatening skies, before a large crowd at the Fono Building in Fagatogo. But, by the time Governor Ruth was sworn in by Associate Justice Leslie Jochimsen, a torrential downpour had virtually flooded the area.

The traditional Samoan installation for the paramount title was performed by High Talking Chiefs Fofu Sunia of the Manu's District, Multitauaopele Tamotu of the Eastern District and Le'oso Malama of the Western District, as the rain poured down.

The Valloatai Village Council and Aumaga, which sat patiently through the torrent, then carried out the traditional Ava Ceremony.

Governor Ruth delivered his inaugural speech under conditions that made it virtually impossible to hear him—and then said, in a good-natured manner, "Let's end it now. You can read my speech in the newspaper."

In less than an hour, the wind, rain, lightning and thunder which had disrupted the ceremony, had vanished. But even those conditions did not dampen the enthusiasm at a damp reception held by the Fono and the officials of the Local Government, with assistance from the Women's Organization of the village of Aua.

Now, as Governor Ruth promised, here is his inaugural speech:

"First, I bring you greetings from the President of the United States. Also, I proudly bring you good tidings from the Secretary of the Interior—Rogers C. B. Morton.

"Don't be misled by the distance from here to Washington. President Ford and Secretary Morton are extremely interested in you and what happens in Samoa. If I were not positive of this, I would not be here.

"This is the time a new governor could recall your glorious history or count your blessings. However, I have chosen to discuss the present. My appointment as your governor is marked by circumstances unlike all previous ones.

"For almost half a year, you have been served by an acting governor. This always makes for uncertainty and is hard on both the people and the leadership. Let me stop right here and point out how fortunate both you and I are to have had a person of the caliber of Frank Mockler as your governor during this time. You have prospered by his leadership and understanding and I have the advantage of a smooth transition involving a real gentleman who wants only the best for both you and me. Governor, (to Mockler) I assure the people join me in expressing their thanks.

"I come here during a time when the economy is not up to par. The United States battles inflation on one side and recession on the other. As the result of a drought and other extenuating circumstances, Samoa has budgeted expenditures several million dollars more than it has in the treasury. I have just attended the National Governors' Conference in Washington, D.C. Unbalanced budgets were the primary problem of the conference. So while our problem is not unique, it is real and will take some belt tightening. Some of our savings will be at the direction of the Department of the Interior, and some will be at the direction of the Governor and the Fono.

"This will not only take a while, but will require sacrifice from all of us. While the government officials will direct this cut with the best advice possible, I know the real success of balancing the budget rests with the people of Samoa. Let's shoulder this responsibility together and get things moving again.

"I know of your desire to some day elect your own governor. Already you elect your own Fono, and I look forward to working with your elected leaders. I realize that your vote to postpone electing your own governor to lengthen your period of preparedness took both courage and forethought. Let's strengthen our self-confidence by working out our current budget problem.

"Now you may ask, 'What do you want for Samoa?' I want the individuals of this territory to be productive citizens, in a happy, healthy, environment while retaining the culture which distinguishes them from others. A culture, I might add, that other nations have not had the good fortune to inherit. I hope your votes will reflect this same interest.

"For 2½ months I have been reading, studying, and being briefed on Samoa. But only after being here three short days have I begun to really appreciate what is here. Mrs. Ruth and I were deeply moved by the reception we received at our early Friday morning arrival. We spent most of Saturday afternoon being shown around the island. I saw clean streets and yards, with boys, girls, men and women playing cricket all over the island. I saw groups sitting in fales smiling and talking. I saw men, women and children constructing new homes and working farm land. I got a big smile and wave from most everyone as I waved and smiled.

"In short, in the most beautiful place I have ever been, I've found happy, friendly people in a land where the most prominent buildings are churches.

"Before going to bed, I thanked God that I had been sent to such a wonderful place. Solfua."

HOUSE OF REPRESENTATIVES—Saturday, March 22, 1975

The House met at 10 o'clock a.m.

The Chaplain, Rev. Edward G. Latch offered the following prayer:

Jesus said, "I am the Way, the Truth, and the Life".—John 14: 6.

Our Father God, before this altar of prayer set up by our Founding Fathers, we would step aside from the crowded and confused ways of daily life that we may become conscious once again of Thy presence and from Thee receive wisdom and strength for the duties of this demanding day. May the decisions we make and the actions we take be for the highest good of our beloved land.

We pray that Thou wilt lead us to heal the hurts which harm us, to dissipate the differences which divide us and help us to plant the seeds of honor and honesty in the garden of democracy

which will bear fruit in the fair and fragrant virtues of faith and hope and love.

In the spirit of Him who is the Way, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amend-

ments, in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2166. An act to amend the Internal Revenue Code of 1954 to provide for a refund of 1974 individual income taxes, to increase the low income allowance and the percentage standard deduction, to provide a credit for certain earned income, to increase the investment credit and the surtax exemption, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 2166) entitled "An act to amend the Internal Revenue Code of 1954 to provide for a refund of 1974 individual income taxes, to increase the low-income allowance and the percentage standard deduction, to provide a credit for certain earned income, to increase the investment credit and the