

## THE BILL OF RIGHTS PROCEDURES ACT

HON. CHARLES McC. MATHIAS, JR.  
OF MARYLAND  
IN THE SENATE OF THE UNITED STATES

Wednesday, May 26, 1976

Mr. MATHIAS. Mr. President, on April 29, 1976, I introduced, with Senator TUNNEY, the Bill of Rights Procedures Act. This legislation, S. 3349, would establish procedural safeguards to protect citizens' privacy rights with regard to records held by banks, credit, and telephone companies. The bill also sets out procedures for Federal officials to follow in seeking to examine the outside envelopes of mail received by an individual, and for telephone company monitoring of calls for service quality. In addition, the bill extends the existing wiretap law to telegraph, telex, and other non-verbal messages.

The urgency of congressional action on S. 3349 is highlighted by the recent Supreme Court decision in United States against Miller where the Court held that the Constitution does not itself provide American citizens with any assurance against unjustified inspection of their bank records by Federal agents. The Court based this decision on the premise that one's bank records—checks, balances, loan data, and other information—belong to the bank and not to the individual account holder. Considering this reasoning, the need for corrective legislation in this area is clear.

The Bill of Rights Procedures Act has received wide bipartisan support in the Congress since its introduction. A number of organizations have also endorsed the bill, including: the AFL-CIO; the American Bankers Association; the Retail Clerks International Association; American Express Co.; Bank of America; Communications Workers of America; House Republican Task Force on Privacy; National Association of Mutual Savings Banks; and the California Bankers Association.

I want to draw the attention of my colleagues to the favorable action that the Bill of Rights Procedures Act has received in the House of Representatives. The House companion bill—H.R. 214, originally authored by my colleague, Congressman CHARLES MOSHER of Ohio—was reported out of the House Subcommittee on Courts, Civil Liberties and the Administration of Justice by a 5-to-0 vote. The full House Judiciary Committee is expected to soon take up the bill.

Support for legislation along the lines of the Bill of Rights Procedures Act has also come from a number of newspapers, including the Baltimore Sun in my own State of Maryland, and the Washington Star-News.

Mr. President, I ask unanimous consent that these two editorial endorsements be printed in the Record.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Baltimore Sun, May 3, 1976]

## NO BANKING ON PRIVACY

Poor Mitch Miller. Three weeks after Hous-ton county, Georgia, sheriff's deputies found still equipment in a van, in late 1972, firemen stumbled on a 7,500 gallon distillery in a burning warehouse. Treasury agents subpoenaed two Georgia banks for records of Mr. Miller's accounts. The banks complied without giving him a chance to fight the subpoenas. The checks and deposit slips provided leads and became evidence in Mr. Miller's conviction on federal charges relating to illegal production of whiskey. And now the Supreme Court says that was proper.

Poor everyone else. The language in Justice Powell's opinion for a majority of seven leaves no doubt that in the eyes of the Court as well as of Congress, the respected confidentiality of what you tell your priest and lawyer does not extend to communication with your banker. Mr. Miller was as entitled by the Fourth Amendment as the next man to be secure in his person, house, papers and effects against unreasonable searches and seizures, with no warrants issued except upon probable cause, supported by oath or affirmation, describing the thing to be seized. The Fourth Amendment would have been violated had those checks and deposit slips been his. But seven justices held that they were the bank's, that "checks are not confidential communications," that there was "no intrusion into any area" protected by the Amendment and that he had no "expectation of privacy" at the bank. Justices Brennan and Marshall disagreed.

This issue flows from the Bank Secrecy Act, a major if misnamed weapon provided by Congress in 1970 for the war on white collar crime. It compels banks to keep records of everyone's money flows for just such purposes as here described. The Court in 1974 held the compulsory record-keeping constitutional. This case was about access to those records. Despite some specious reasoning of Justice Powell, those were Mr. Miller's transactions more than they were the bank's. To have required the agents to subpoena Mr. Miller as well as the banks would not have curtailed law enforcement.

The right of privacy is a comparatively recent Supreme Court discovery, but there is no longer any predicting where it will appear and where disappear. "Privacy" protects a woman's right to an abortion, but not to secrecy about her money once she puts it in the bank. The vehemence of Justice Powell's repudiation of confidentiality in banking could someday inspire frivolous disclosure without subpoena. A part of our lives is traceable not only through bank accounts, but also phone bills, credit cards and the like. Are we really renouncing Bill of Rights protections when we don't pay cash? The remedy lies with Congress.

[From the Washington Star-News, May 25, 1976]

## EXPECTATIONS OF PRIVACY

In the months since Rep. Charles Mosher and Sen. Mac Mathias began trying to nudge their "Bill of Rights Procedures Act" through Congress, we have had at least one Supreme Court decision and a host of investigative disclosures that underscore its wisdom.

The Supreme Court, for its part, recently considered a Georgia case in which a citizen's bank records were used, without prior notice, to convict him of illegal manufacture and sale of whiskey. Most of us regard bank transactions as confidential and would welcome the amenity (if it is only that) of being put on notice when federal revenue or other sleuths take an interest in them. Yet

the Supreme Court held, astonishingly, that the Bank Records Act requires no such notice, that such documents as checks and deposit slips are as public as a billboard.

And of course the widespread distribution of credit records, the surveillance of mail at the Post Office, and other such random invasions of privacy have been detailed ad nauseam, time after time, in recent congressional hearings.

The Mosher-Mathias legislation takes a moderate approach to the prying eye of Big Brother. According to a summary prepared by Congressman Mosher's staff, "it would not prohibit activity now considered to be legal. Rather it would establish clear guidelines and procedures to be followed when there would be a legal invasion of a citizen's privacy," whether as to bank and credit company records, telephone calls, mail, cables and telegrams, or "service" listening in on telephone equipment.

Consider, for illustration, how the legislation might have worked when Treasury agents took an interest in those Georgia bank records. It would not have altered the Supreme Court's view that one's checking account is, in effect, open to public inspection. But it would require at least one of the following steps of due process: The bank would have to obtain the written consent of the customer under investigation, or a subpoena would have to be issued with a copy to the customer, or a search warrant would be required.

Similar or parallel protections would be extended to anyone subjected to a so-called "mail cover" (in which one's mail is not actually opened but is systematically monitored over a period of time for information appearing on envelopes or wrappings), credit inquiries, telephone records, and the like.

This bill (HR 214) comes before the House Judiciary Committee this week. That committee's subcommittee on courts, civil liberties, and the administration of justice has unanimously endorsed it. Its sponsors have spent every effort to make it as non-controversial as such legislation can be without being toothless. For instance, they have agreed to strip it of a section restricting "national security" wiretaps.

It is wise and worthy legislation, and many of the private institutions it would affect (e.g., American Express, the Bank of America, the National Association of Mutual Savings Banks) have already endorsed it.

It is time to restore some order and due process to the promiscuous disclosure of private matters involving, in the words of Justice Lewis Powell, "legitimate expectations of privacy."

CONGRESSMAN TORBERT H. MACDONALD

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. ANDERSON of California. Mr. Speaker, like the rest of my colleagues, I was saddened to learn of the untimely death of Torbert H. Macdonald on Friday, May 21. Until he announced his retirement last month, I had looked forward to many more years of outstanding leadership from the gentleman from Massachusetts. His retirement was a loss to the Congress, the Nation which he served as a military man and as a leg-

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islator, and to the people in his district whom he represented so ably. Torbert Macdonald's death was a grievous personal loss to his friends, family, and all who had come to know and respect him.

Torbert will probably be remembered most for his authorship of legislation banning local blackouts of sold-out professional football games, and for his leadership in the fight to control violence on television. As chairman of the Interstate and Foreign Commerce Subcommittee on Communication, Representative Macdonald exercised great power over the broadcasting industry. He used that power for the common good, seeing that the principles of free speech were maintained, and at the same time insuring that the public airways were used by broadcasters in the best public interest.

As captain of the Harvard football team in 1939, Torbert Macdonald was a roommate of our former President, the late John F. Kennedy. During World War II, he entered the Navy and saw action on PT boats during the battle for the Pacific, winning a Silver Star.

Following the war, Torbert Macdonald received his law degree from Harvard University. He worked as a lawyer for the Motion Picture Producers Association and the National Labor Relations Board prior to his election to Congress in 1955.

Representative Macdonald's background was instrumental in many of his legislative accomplishments. Besides the blackout ban, he will be remembered for his support of the public broadcasting system, and in his efforts to see that energy cost remained within the reach of the average citizen. His knowledge of sports came from his collegiate career in both football and baseball. Torbert loved sports: but he never ceased his efforts to see that they were accessible to every American.

Mr. Speaker, Torbert Macdonald was a man who led a full and successful life. He leaves behind him a legacy of many important legislative accomplishments, and the warm memories of his family and friends.

My wife, Lee, joins me in expressing our most sincere condolences to Torbert Macdonald's lovely wife, Phyllis; their children, Torbert, Jr., Brian, Robin, and Laurie; his mother, Harriet Hart Macdonald; and his two sisters, Gertrude Bateman and Margaret Prior.

#### ALCOHOLISM PREVENTION, TREATMENT, AND REHABILITATION ACT AMENDMENTS OF 1976

#### HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. WAXMAN. Mr. Speaker, I urge my colleagues to support the 1976 amendments to the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act. This legislation extends for 3 years the programs of Federal assistance under the act and

amends several portions of the existing law.

Alcohol misuse and abuse rob an individual of his or her health. Available medical data supports the contention that alcohol abuse increases an individual's susceptibility to a number of life-threatening diseases. Recent evidence suggests that alcoholism causes malignant diseases, such as cancer and cirrhosis. Alcoholism itself is a disease. Rather than invoke criminal sanctions against those who are victims of alcohol abuse, we now recognize that alcoholism is a disease requiring early diagnosis and curative treatment.

Alcoholism contributes significantly to increased morbidity and mortality. Recent studies indicate that individuals diagnosed as alcoholics are more likely to die at an earlier age than the general population. Heavy drinkers, and those who have problems associated with high consumption of alcohol, die younger than moderate drinkers. Among the groups with alcohol-related increased death rates, women have higher rates than men, and the youngest-age classes have the highest mortality rates.

Alcohol abuse, also, threatens the safety and lives of innocent parties. The relationship between alcoholism and death can be direct, as in the case of an overdoes, or indirect, as in the case of traffic accidents. Alcoholic induced physical and mental states are associated with increased incidence of violent deaths of all kinds, including suicide.

Although the disease of alcoholism has reached epidemic proportions, little is in fact known about why or how certain individuals become afflicted. There is little agreement among the so-called experts about the causes and treatment of alcoholism. Of all our health problems, the need to deal more effectively with alcoholism is most urgent.

The bill before us specifically seeks to increase our capacity to deal with this enormous problem. It sets out to promote research by designating several national alcohol research centers to conduct research on alcoholism and related abuse problems.

This legislation, also, requires that special attention be given to the problems of women and minors who are alcoholics. The alcohol abuse problems of women and minors are unique and have thus not been given the recognition they deserve. Specifically, this legislation authorizes the Secretary of Health, Education, and Welfare to give special consideration to applications for project grants for programs designed to deal with the alcohol abuse problems of these two groups.

The number of youthful alcoholics has reached alarming proportions. Approximately 5 million youth drink on a weekly basis; 22 percent of the 7th through 12th graders drink once a week or more; 17 percent of this age group drink 3 to 4 times per month; 24 percent of 13-year-olds are classified as moderate to heavy drinkers; and 57 percent of 18-year-olds are classified as moderate to heavy drinkers. It is important that we begin to reach out to young Americans by offering them much needed counseling and treatment services.

Women account for the largest increase in the drinking problem in recent years according to Dr. Morris Chafetz, former Director of the National Institute on Alcohol Abuse and Alcoholism—NIAAA. This is not only a problem for the women involved, but for the generation yet unborn. Excessive alcohol consumption has a detrimental impact on fetal development. Among those who have a drinking mother, the incidence of child abuse and child neglect is greater than in the general population.

The pernicious aspects of alcoholism are wide ranging. Alcoholism has a deleterious impact on the individual, his family and friends, and on society. A continued Federal commitment to programs of prevention, treatment, and rehabilitation is of critical importance to the American people. For this reason, I support this legislation.

#### GENERAL MORRIS IS NAMED CHIEF OF ENGINEERS

#### HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. JONES of Oklahoma. Mr. Speaker, in the last few days two exceptionally happy events took place in Oklahoma. First, the Kaw Dam and Reservoir was dedicated near Ponca City, Okla. Second, Maj. Gen. John Morris was named Chief of the Army Corps of Engineers.

General Morris has served Oklahoma, and the Nation, in a way few men could. Only by his perseverance and determination could so much be done to benefit so many in such a short period of time. I am speaking of the water resource development efforts that the Army Corps, under the direction of General Morris, carried out in the Tulsa district.

A district engineer serves a broad constituency of people. People affected by the ravages of flood and people concerned with maintaining the environment. Few men have served both goals with the efficiency and people-oriented convictions, as General Morris. Only through this unique blend of characteristics could conflicts be resolved that would enable flood protection projects to progress and the environment to maintain its position unaffected.

General Morris served Oklahomans at a critical stage in the development of the McClellan-Kerr Waterway and it may be said that he was as responsible for its completion as any man. Jack should be noted as one of our country's finest military men, a man who is capable of planning, constructing, and operating a program for development and use of the Arkansas River system that in the past left people homeless, destroyed lives and property. I know he will do the same for this country, and I know of no finer man to meet the present and future water resource needs of the Nation.

My home, Tulsa, enjoys a navigable waterway, flood control, hydroelectric power, and recreation because of the

foresight of great men of which General Morris is one. I am confident that he will meet the national goals of economic growth and environmental concern with respect to water resources in the same manner he did in Oklahoma. I and all Oklahomans wish Jack Morris the greatest of success in this new undertaking and I am sure the American people will be indebted for his continued service.

**LABOR'S ROLE IN "SQUEEZE" IS CONCERN TO FARM GROUPS**

**HON. ROBERT McCLORY**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. McCLORY. Mr. Speaker, in connection with alleged food price gouging, there appears to be a strong desire to investigate and attack the food processors and also the retail food chains. Almost neglected in these attacks are the restrictions and barriers involved in efficient food handling which result from inflationary and noncompetitive labor-management agreements. Inherent in these agreements are many excessive costs, including adverse impacts on productivity.

In a recent statement by Wray Finney, president of the American National Cattlemen's Association, it was brought out that in the supermarket business wage rates have risen by 82 percent during the past 10 years while productivity has declined by 5 percent.

Mr. Speaker, the summary of Mr. Finney's statement appeared in the most recent issue of Farmland News, which I am attaching to these remarks in order to emphasize the effect produced by labor-management agreements which are unrelated to efficient practices—and which fail to emphasize the need for improved productivity:

**LABOR'S ROLE IN "SQUEEZE" IS CONCERN TO FARM GROUPS**

Growing concern over the effect of organized labor's power over farm incomes has been expressed by agricultural groups.

John Junior Armstrong, president of Kansas Farm Bureau, said he was disappointed that the National Labor Relations Board hadn't imposed a heavy fine on the longshoremen for their refusal to load grain on ships bound for Russia.

Wray Finney, president of the American National Cattlemen's Association, said the farmer's share of the food dollar faces further squeezing if something isn't done to curb "unnecessary government regulations and union featherbedding."

Armstrong made his comment in signing a settlement agreement issued by the NLRB against the International Longshoremen's Association. The longshoremen admit violating the law against secondary boycotts and agree to refrain from similar work stoppages.

"The board's agreement is little more than a slap on the wrist and finger-wagging 'don't do it again sort of thing,'" Armstrong said, but he welcomed the judgment as a precedent that will hold back unions from using secondary boycotts to gain "selfish ends."

Armstrong said the boycott and subsequent moratorium on grain sales to Russia and Poland wrecked the wheat market.

**EXTENSIONS OF REMARKS**

Finney of ANCA cited data showing that labor costs alone represent about half to two-thirds of the margins in certain segments of the off-farm food industry and that wage increases without comparable improvements in productivity have been the biggest factor in price spread increases in recent years. The average beef price spread, for example, has gone up more than 50% in just five years, he said.

Finney said that in the Washington-Baltimore area, beginning clerks and cashiers in food stores now receive wages and fringe benefits amounting to \$16,200 a year. When there are large wage and benefit increases without improvements in productivity, he said, retail prices of meat and other food have to increase.

Average cattle prices have risen significantly from several years ago, Finney said, but livestock producers helped keep these increases under control with a 65% improvement in their own output per man-hour in just the last 10 years.

During the same 10-year period, it was noted, the beef price spread jumped 74%. A major factor in this was labor cost increases. Wage rates in the meat processing industry climbed 77%, compared with a productivity increase of only 30%. In the supermarket business, wage rates rose 82%, but there was a 5% decline in productivity.

Finney cited several examples of union work rules which are barriers to efficient handling of meat and other foods. It was estimated that restrictions in labor-management agreements cause beef prices to average at least 5¢ per pound higher than otherwise would be the case; and, in total, union "featherbedding" practices in the beef business may cost the public at least \$4 billion a year.

The ANCA president said he had written letters to both President Ford and AFL-CIO President George Meany urging them to join with agriculture in an accelerated effort to increase productivity and help slow inflation.

**MISS E. FRANCES HERVEY, PRINCIPAL, BRIDESBURG SCHOOL**

**HON. JOSHUA EILBERG**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. EILBERG. Mr. Speaker, Miss E. Frances Hervey is retiring from the public school system after 49 years of faithful service.

In her many years of service she has been a classroom teacher at both the elementary and secondary levels. She has been a vice principal at the secondary level and an auxiliary principal at several elementary schools, and then principal at Bridesburg Elementary School for 11 years.

In her organizational service city-wide, Miss Hervey was president of the Philadelphia Teachers Association. On the State level, she was president of the Southeastern Section of the Pennsylvania Education Association and she represented five counties: Philadelphia, Chester, Montgomery, Delaware, and Bucks. Due to her representation of these five counties, she sat in on the first White House conference on education.

At the national level, Miss Hervey was a delegate to the National Education Association and she served on many committees.

In 1966 she was one of 50 delegates elected from the United States to the World Confederation of Teachers Professions. This involved an around-the-world trip to visit people in other countries concerning education.

In her 11 years of service at Bridesburg School, Miss Hervey has shown true dedication to the children, the parents, and the community.

**PAPERWORK REVIEW AND LIMITATION ACT**

**HON. RICHARD NOLAN**

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. NOLAN. Mr. Speaker, I am today introducing legislation to require the Congress to assess the paperwork impact of each and every bill it passes.

Every day massive numbers of new Federal regulations go into effect. Paperwork multiplies and America's small businessmen and bankers are buried in redtape.

Some small businessmen have complained that they must spend 15 to 20 percent of their time completing Government forms. More paperwork means higher costs, and for many small businessmen, this additional burden can make the difference in the success or failure of their businesses.

The legislation which I am introducing would require that the report accompanying each bill reported by a committee of the House or Senate contain a "Paperwork Impact Statement." This statement would be required to include:

First, an estimate of the amount of information which will be required of private individuals and businesses as the result of the legislation;

Second, whether such information is already being gathered by and is available through other departments or agencies of the Government;

Third, the number and nature of the forms that will be required for the purpose of gathering the information and the number of reports which would be required to be made, and the records kept, by private business enterprises as a result of the enactment of the bill; and

Fourth, the cost or time which would be required of private business enterprises, especially small businesses, in making such reports and keeping such records.

The proliferation of Federal paperwork has caused open warfare between the Government and small business. Our laws should be designed to foster a healthy and sound business community not to undermine the foundations of our private enterprise system.

The Congress needs to take a closer look at the real impact of our laws upon the ability of our small businesses to grow and prosper. The 6,000 forms presently required by the Federal Government, excluding IRS forms, require 130.5 man-hours yearly. In my judgment, the Congress has a duty to see that the laws it passes do not add to this overwhelming

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burden. Duplicate reporting and other excessive paperwork requirements can be curbed if Congress takes the time to assess the real implications of proposed measures and to take responsible legislative action.

**PROPOSALS OF THE AMERICAN INSTITUTE OF ARCHITECTS ON SAVING ENERGY IN THE "BUILT ENVIRONMENT"**

**HON. ROBERT A. ROE**

OF NEW JERSEY  
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. ROE. Mr. Speaker, the vital import of energy conservation in the already established and "built environment" is a fact that should concern all Americans on all levels of implementation and usage. One of my constituents, Mr. Hugh N. Romney of Hawthorne, N.J., is a well-known and distinguished architectural consultant who has consistently submitted viable, concrete proposals in this area of energy conservation reflecting both an extensive professional insight and learned competence as well as a practical creativity especially oriented to the complexities of present and future energy needs and the limitations and capabilities of our natural resources.

Mr. Speaker, pursuant to Mr. Romney's interest and suggestion, I have been furnished with several excellent policy statements on this subject forwarded to me by the president of the American Institute of Architects, Mr. Louis de Moll. The American Institute of Architects has been encouraging Government at all levels to recognize the vast potential for energy savings in the building sector and to initiate programs that will achieve optimum conservation results. One overriding goal of the institute as well as the Congress has been the adoption of a national energy conservation policy and one of the most viable vehicles of this policy can be "energy conscious design."

Mr. Speaker, today in recognition of the efforts of the American Institute of Architects I wish to record in the CONGRESSIONAL RECORD two statements of the institute on saving energy in the "built environment" in general, and the AIA institute's plan in particular. I believe both these statements point out the problems to be met, the benefits to be derived and the technologies to be utilized in realizing a true and effective energy conservation policy which is essential to the future economic and environmental health of our Nation.

The material is as follows:

**SAVING ENERGY IN THE BUILT ENVIRONMENT**  
It is clear that many of our natural resources are in limited supply: the land on which we build, building materials, and the fossil fuels on which the built environment depends for energy.

Means must be developed to reduce our dependence on fossil fuels, which now provide about 95 percent of the United States'

energy. The built environment consumes at least one-third of this energy.

In 1970 the total U.S. energy consumption of gas, coal, and oil amounted to the equivalent of almost 32.5 million barrels of oil a day. Based on present trends, it is estimated that consumption will be more than doubled by 1990 when it reaches the equivalent of 68.5 million barrels per day.

The projected expansion of domestic production of coal, gas, and nuclear energy, along with projected imports of gas and the development of hydroelectric and geothermal power, is expected to yield the equivalent of 39.2 million barrels of oil a day in 1990. The remaining demand gap of 29.3 million barrels, however, will have to be supplied from domestic and foreign oil sources.

Since domestic oil sources are expected to produce only 11.3 million barrels of oil a day in 1990, the balance—18 million barrels—will have to be met from oil imports, a three-fold increase over the present import rate of six million barrels.

Energy savings reaching an annual level equivalent to 12.5 million barrels of oil a day by 1990 could be achieved if the nation's new and existing buildings were designed to be energy efficient. This energy savings by building for efficiency is approximately equal to the future capacity of any one of the United States' prime energy systems.

These fuel savings in the built environment could be realized by 1990 through a high priority national effort to create an energy efficient building inventory. In existing buildings, fuel consumption could be reduced as much as 50 percent. New buildings, designed to be energy efficient, could save as much as 80 percent of the fuel they would otherwise consume.

Using conservative estimates of 30 percent savings for existing buildings, and 60 percent for new buildings, the energy saved would amount to the equivalent of 12.5 million barrels of oil a day by 1990.

Performance standards—annual energy consumption goals for entire buildings—should be mandated by the federal government for new residential and commercial buildings. This approach permits flexibility in the design process and encourages innovations and advancements in technology. Prescriptive or component performance standards, on the other hand, have severe limitations. In addition to restricting innovative design and inhibiting advancements in technology, they fail to address the building as an energy consuming entity and discourage the utilization of alternative energy sources, such as solar and wind.

In some instances, it may be possible to achieve energy efficiency without additional capital costs. On the whole, however, energy efficient buildings will tend to cost more than traditionally designed buildings. It may therefore be necessary to provide incentives to encourage energy conservation. In new buildings, incentives would encourage energy conservation above the levels required by performance standards. In existing buildings, incentives would facilitate the raising of capital for retrofitting to achieve energy conservation.

Incentives can be offered in a variety of forms—tax credits, guaranteed loans, subsidized interest rates, rapid depreciation allowances, subsidies, or technical assistance. And the sources of such incentives can range from local communities to the federal government.

Incentives should be provided on the basis of reductions in the consumption of fossil fuels. Results can be measured in terms of Btu's per unit of area/per unit of time. This approach is not unlike measuring the energy efficiency of a car in terms of miles per gallon.

Additional energy savings can be achieved

by the use of alternative sources of energy, such as sun, wind, and water. Solar energy appears to be the most promising resource, in terms of immediate availability and existing technology.

There are major benefits to be derived from energy efficient building in addition to reduced operating costs over the building's lifetime. First, a decrease in fossil fuel consumption would help alleviate the pollution hazards associated with the conversion of those fuels into energy. Second, the elimination of the need to import 12.5 million barrels of oil a day into the United States would avoid the staggering burden that otherwise would be placed on the U.S. international balance of payments. At current price levels, the cost of this amount of imported oil would be approximately \$50 billion a year. Finally, the creation of an energy efficient built environment would provide an estimated two to three million job opportunities annually in construction and related industries.

**SAVING ENERGY IN THE BUILT ENVIRONMENT: THE AMERICAN INSTITUTE OF ARCHITECTS POLICY**

The design of the built environment—homes and schools, offices and factories, shopping centers and hospitals—has far-reaching effects on the quality of human life. The architect who designs this environment must take into account not only how the building project meets the physiological, and psychological needs of its users, but also how it affects and is affected by its natural setting.

It is now clear that many of our natural resources are in limited supply; the land on which we build, building materials, and the fossil fuels on which the built environment depends for energy.

For the American Institute of Architects (AIA), the careful use of our finite natural resources in the built environment is both a critical professional concern and an important public responsibility.

**SAVING 12.5 MILLION BARRELS OF OIL A DAY**

The recent increased cost of fossil fuels, which now provide about 95 per cent of the United States' energy, presents a major challenge to the design professions since the built environment consumes at least one-third of the nation's energy.

Even before the "energy crisis" was generally recognized, the AIA had begun to explore and develop means of reducing dependence on fossil fuels in the built environment. The results of these efforts indicate that energy savings reaching an annual level equivalent to 12.5 million barrels of oil a day by 1990 could be achieved if the nation's new and existing buildings were designed to be energy efficient.

In 1970 the total U.S. energy consumption of gas, coal, and oil amounted to the equivalent of almost 32.5 million barrels of oil a day. Based on present trends, it is estimated that consumption will be more than doubled by 1990 when it reaches 68.5 million barrels per day equivalent.

The anticipated rapid expansion of domestic production of coal, gas and nuclear energy, along with projected imports of gas and the development of hydroelectric and geothermal power, is expected to yield the equivalent of 39.2 million barrels of oil a day in 1990. The remaining demand gap of 29.3 million barrels, however, will have to be supplied from domestic and foreign oil sources.

Since domestic oil sources are expected to produce only 11.3 million barrels of oil a day in 1990, the balance—18 million barrels—will have to be met from oil imports, a three-fold increase over the present import rate of six million barrels.

The potential savings of the equivalent of 12.5 million barrels a day projected by the AIA would be practically equal to the increase above the current level of oil imports expected in 1990. Nevertheless, these savings still amount to only about two-thirds of the presently estimated 1990 imports. Clearly, AIA's program to conserve energy is not in competition with domestic energy sources, nor with present accelerating efforts to increase domestic energy supplies.

*1990 estimated energy supplies\**

[In millions of barrels per day oil equivalent]	
Domestic:	
Coal	14.0
Nuclear	12.0
Oil	11.3
Natural gas	8.0
Hydroelectric and geothermal	1.2
Total domestic	46.5
Foreign:	
Gas	4.0
Oil	18.0
Total foreign	22.0
Total	68.5

\* Reprinted from "Energy and the Built Environment: A Gap in Current Strategies," The American Institute of Architects, 1974.

As the chart above shows, the energy that could be saved by building for energy efficiency is approximately equal to the future capacity of any one of the United States' prime energy systems. The estimated capacities of domestic sources of energy represent what might be achieved by 1990, under optimum situations that include development of oil shale resources and the Alaskan oilfields.

**SAVING ENERGY IN THE BUILT ENVIRONMENT**

The fuel savings projected by the AIA could be realized by 1990 in the built environment through a high priority national effort to create an energy efficient building inventory. This goal could be accomplished by the application of a broad range of planning, design, construction, and management techniques.

There are presently numerous opportunities to conserve fuel in new and existing buildings. The design professional can, for example:

Plan for the most efficient use of a new building or advise on changes in the use patterns of an existing building.

Site the building properly, to take advantage of natural light and ventilation.

Use vegetation to shield against excessive sun and wind.

Design sunshades, overhangs, or shutters to let in sun when needed and block it when not desired.

Insure the use of the most efficient systems for heating, cooling, ventilating, and lighting.

Further energy savings can be effected by the use of alternative sources of energy. New energy systems which make optimum use of such naturally regenerative sources as sun, wind, and water, can supplement or, in some cases, even supplant the use of non-renewable fossil fuels.

Solar energy presently appears to be the most promising resource, in terms of both immediate availability and existing technology. It is estimated that more solar energy reaches Earth in three days than could be supplied by all known reserves of fossil fuel.

In existing buildings, fuel consumption could be reduced as much as 50 per cent from current levels. New buildings initially designed to be energy efficient could save as much as 80 per cent of the fuel they would consume at present levels.

## EXTENSIONS OF REMARKS

Using conservative estimates of 30 per cent savings for existing buildings, and 60 per cent for new buildings, the energy saved would amount to the equivalent of 12.5 million barrels of oil a day by 1990.

### CAPITAL IMPLICATIONS OF ENERGY EFFICIENCY BUILDINGS

In some instances it may be possible to achieve energy efficiency without additional capital costs. On the whole, however, energy efficient buildings will tend to cost more than traditionally designed and constructed projects.

The gross investment required to achieve energy efficiency over a 15-year period could range from \$729 billion to \$1,460 billion, or 10 to 20 per cent above usual construction costs. However, the resulting energy savings would reduce the need for incremental capital expenditures for convenient energy generation by an estimated \$415 billion. Thus on net basis, the capital requirement would range from \$314 to \$1,045 billion. On the other hand, the cost of energy saved during that 15-year period would be from \$892 to \$1,499 billion.

It is especially significant that the payback period for capital expenditures for energy efficient buildings might range from 10 to 15 years. This is half the usual time required to recoup investments in traditional large scale utility systems.

### BENEFITS OF ENERGY EFFICIENT BUILDINGS

In addition to reduced operating costs over the lifetime of a building, there are other major benefits to be derived from energy efficient building.

First, a decrease in fossil fuel consumption would help alleviate the pollution hazards associated with the conversion of those fuels into energy.

Second, the elimination of the need to import 12.5 million barrels of oil a day into the United States would avoid the staggering burden that would otherwise be placed on the U.S. international balance of payments. At current price levels, the cost of this amount of imported oil would be approximately \$50 billion a year.

Finally, the creation of an energy efficient built environment would provide an estimated two to three million job opportunities annually in construction and related industries.

### NEED FOR INCENTIVES FOR ENERGY EFFICIENCY

During the era of seemingly inexhaustible energy, our society evolved attitudes, policies, tax laws, and institutional practices which engendered a powerful demand for buildings of low first cost. In marked contrast, the energy efficient building requires high "front end" costs.

New buildings and major improvements to existing buildings, including energy efficient measures, are financed to a large extent on borrowed funds. The traditional approach to reduce the risk associated with this type of debt has been to minimize initial construction costs as much as possible. This aspect, together with certain tax considerations for commercial buildings which favor the economics of higher operating expenses over higher capital expenditures, make the "first-cost" problem a formidable barrier to the construction of energy efficient buildings.

It may therefore be necessary to provide certain incentives to overcome economic and other barriers and to galvanize action for implementation. Accordingly, the AIA is endeavoring to inform the general public of the important and lasting advantages of fuel conservation to be obtained through the design of an energy efficient built environment.

The public awareness thus generated should not only encourage individual initiative, but should also provide the necessary public support for incentives to stimulate capital commitments.

Incentives can be offered in a variety of forms, such as tax credits, guaranteed loans, subsidized interest rates, rapid depreciation allowances, subsidies, or technical assistance. And the sources of such incentives can range from local communities to the federal government.

The AIA advocates that incentives be provided on the basis of reductions achieved in a building's requirements of natural resources. The results can be measured in terms of BTU's per unit of area, per unit of time. This approach is not unlike measuring the energy efficiency of a car in terms of miles per gallon.

### CONCLUSION

It now appears that the AIA estimates of the energy savings to be achieved through energy efficient building design may be conservative. Data gathered since the AIA made its original projections indicate that the 30 per cent average reductions in energy consumption in existing buildings and the 60 per cent figure for new construction may be on the low side.

The selection of building materials, taking into consideration the amount of energy required for their manufacture and transportation; the use of energy efficient construction techniques; and the application of urban planning principles that reduce the amount of energy required for transportation all offer opportunities for additional energy savings in the built environment.

To achieve the goal of an energy efficient built environment will require a large scale national effort in both the private and public sectors. The American Institute of Architects is firmly committed to this effort and would welcome the interest, support and cooperation of those who share this concern.

(For further information: Director of Energy Programs, The American Institute of Architects, 1735 New York Ave., N.W., Washington, D.C. 20006, (202) 785-7300.

## TWO HUNDRED YEARS AGO TODAY

### HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. WIGGINS. Mr. Speaker, 200 years ago, on May 29, 1776, the congressional committee conferring with Generals Washington, Gates, and Mifflin reported to Congress on the general military situation. The committee recommended that 9,000 soldiers be supplied by the militias of Massachusetts, Connecticut, New Hampshire, and New York for the Canadian campaign. It advised that another 15,000 men be supplied by the militias of Massachusetts, Connecticut, New York, and New Jersey for the defense of New York.

The committee felt that there were sufficient forces available, or being raised, to support the colonies of New England as well as those in the southern department, except for Georgia and South Carolina.

To rally support and raise the additional forces, Congress appointed Thomas Jefferson, George Wythe, Samuel Adams, and Edward Rutledge to prepare an animated address—to impress the minds of the people with the necessity of their now stepping forward to save their country, their freedom, and property.

## MAY IS DESIGNATED BETTER HEARING AND SPEECH MONTH

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. FUQUA. Mr. Speaker, the month of May has been designated annually as Better Hearing and Speech Month. Speaking, hearing and understanding are essential to human communication and are something we often take for granted.

However, I would like to point out to my colleagues some interesting facts concerning speech and language disorders provided me by Mrs. Nancy J. Johnson, a speech pathologist for Leon County District Schools in the Second Congressional District of Florida which I represent.

Nearly 10 million Americans, or 1 out of every 20 persons, suffer from a speech or language disorder.

Each year, 60,000 Americans suffer from aphasia, the loss of the ability to use speech and language due to a stroke or head injury.

There are 30,000 Americans who have undergone surgery for laryngeal cancer, and 8,000 new cases of laryngeal cancer are discovered annually.

There are more than 1 million persons in the United States who stutter, one-half of whom are children. Throughout the world, there are an estimated 15 million persons who stutter.

Articulation disorders constitute the most numerous of all speech disorders. About three out of five of all speech and language problems are related to articulatory problems.

The ability to communicate is our most human characteristic. When a person cannot communicate, isolation from friends, family and society often occurs.

Individuals with speech and language disorders may encounter this isolation in vocational, social, emotional, and educational areas. For example, adults with speech disorders often find it difficult to gain employment or may be forced into less satisfying jobs because of their inability to communicate effectively. And schoolchildren may experience difficulties in learning because of a speech or language problem.

Some speech and language disorders, while serious in themselves, may also be symptoms of other disorders. An unstimulating environment might be cause for a child's delay in developing language skills that are essential to communication. A delay also could be caused by a hearing impairment. Ignoring the symptoms of poor speech and language could allow a serious disorder to go unrecognized and cause the disorder to become more difficult to treat in later years.

Speech and language pathologists, who are specialists in human communication, are able to detect these disorders and can recognize normal development.

They are professionally trained to deal with the disorders and are well qualified to offer assistance to persons with speech and language disorders.

## EXTENSIONS OF REMARKS

May 26, 1976

Clinical services for speech and language pathology and audiology are provided in many public and private schools, community clinics, hospitals, rehabilitation centers, private practices, health departments, colleges and universities, industries, and State and Federal Government agencies.

There are more than 1,400 clinical facilities and over 450 full-time private practitioners providing speech, language and hearing services to people throughout the United States.

Even mobile services are available in some urban and rural areas of the country.

I hope these facts will serve to help enlighten my colleagues of these problems and what is being done to solve them.

## BALDUS NOTES SOPER AS OUTSTANDING CIVILIAN

HON. ALVIN BALDUS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. BALDUS. Mr. Speaker, I would like to take this opportunity, along with my colleagues, Senators GAYLORD NELSON and WILLIAM PROXIMIRE, and Congressman DAVID OBEY, to note for the record the accomplishments of Laverne G. Soper, president of National Presto Industries, located in Eau Claire, Wis. Mr. Soper, a civilian, was recently admitted to the Hall of Fame, located at the U.S. Army Center and School at Aberdeen, Md., for meritorious service to his country in the field of munitions manufacture. Among the few other civilians to have achieved such an honor are Werner von Braun, for work in missile guidance, Richard Gatling, for development of machine gun concepts, and John Moses Browning, for development of the sub-machine gun and small arms concepts.

During the period from 1952 to May 1975, Mr. Soper distinguished himself by outstanding civilian service to U.S. Army ordnance as a member of National Presto Industries. National Presto is a major producer of ammunition components for the Department of Defense both in war and in peacetime.

At his direction, National Presto established a new production method for the manufacture of artillery projectiles. This new process was developed in 1953 and resulted in a 10-pound reduction in the amount of steel used in the manufacture of each artillery shell. This improvement saved steel, time, money and other vital national resources. The process, known as the hot cup-cold draw process, has been estimated to have saved the Government more than \$200 million in procurement costs for field artillery projectiles.

Other areas of contribution by Mr. Soper are:

The development and production of steel cartridge cases for the 90 mm tank cannon. He was led into this developmental area when brass, the prior metal used for the manufacture of these cartridge cases became scarce.

In addition, he was instrumental in the development of an advanced type grenade for the Army.

## PROOF THAT INCREASED GOVERNMENT SPENDING EVENTUALLY DESTROYS JOBS

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. SHUSTER. Mr. Speaker, each 5 percent increase in the share of public spending in national income causes a 1-percent decline in economic growth, according to a carefully documented study by the principal research officer in the economic analysis section of the National Westminster Bank of England.

As a decline in economic growth obviously destroys jobs, I offer for my colleagues' consideration excerpts from a report on these significant findings as it appears in the *Quarterly Review* of the National Westminster Bank:

## PUBLIC CONSUMPTION AND ECONOMIC PERFORMANCE

(By David Smith)

This article investigates what happens when public consumption absorbs an increased share of a nation's resources. To be precise, the aim is to investigate the long-run effects of a permanently higher level of state consumption on the performance of a country with regard to economic growth, exports and inflation. The current economic crisis in the United Kingdom has become so grave that major economic measures are being taken with almost no regard to their longer-term implications. It is also not clear how much the current crisis reflects poor economic management in the short-term or a deeper-seated structural imbalance that is not amenable to the traditional short-term economic policy approach. For these reasons it seems vital to examine the long-term implications of growing public spending.

The first part of this article attempts to place state expenditure in some form of analytical context. Surprisingly, this task is seldom tackled. One usually sees either rigorous academic theory which assumes essentially free market conditions, or support of increased state consumption which ignores standard economic analysis. The second part attempts to subject some of the theoretical conclusions to statistical analysis and for this purpose experiences in the major industrialized nations in the Western economy are compared. Two conclusions stand out from our work. First, over the long run inflation does not appear to be related to the magnitude of public current expenditure. Second, the level of gross capital formation does appear to be adversely affected by increased public consumption. Indeed, increased state consumption apparently takes place almost entirely at the expense of investment. In turn, reduced capital formation is associated with a lower growth rate so that, typically, a 100 per cent increase in the share of public current expenditure (excluding transfers) in national income eventually implies a 0.2 per cent drop in the rate of economic growth.

When public consumption rises as a proportion of national income the government needs to adopt increasingly stringent monetary and fiscal policies if inflation is to be avoided. One reason for this—long recognized in textbook Keynesian analysis—is that if the state increases its expenditure

but exactly matches the increase with increased taxation, the effect will be inflationary, because the increased taxation is partly met out of savings, and the more progressive the taxation the more this will be so. A government can, however, replace the missing voluntary savings by running an increasing surplus or it can push up the real rate of interest to cut back private investment until it equals the reduced supply of private savings. Another reason why increased stringency in monetary policy is necessary is that as the public sector takes an increasing share of national income the demand for money will fall. This is because only the private sector needs to hold money and the amount of money it wishes to hold is determined by its disposable income. Correspondingly, as disposable incomes are squeezed by a growing burden of taxation the velocity of circulation will rise. This will have the same effect as an increase in the money supply with constant velocity. Although the government can always control inflation as public consumption is increased, it can only do so if it has the political will to force proportionately ever larger adjustments on to the private sector. A case in point is the oil crisis. For reasons outside the government's control, the real income of this country was reduced by about 5 per cent overnight. In the long run, unless the government substantially reduces its own demands on resources, the entire burden of adjustment will be forced on to the sector of the economy—about half—still in private hands; that is, the private sector will have to cut its absorption of real resources by some 10 per cent or more. This particular drama is still in progress and we do not know the eventual outcome.

Looking at the demand side first, it is clear that for any given level of gross domestic product (GDP), any expansion of public consumption (including public social investment such as on schools) or of socially financed consumption must occur at the expense of private consumption and investment, or, in the short term only, from the balance of payments or stockbuilding. All this, of course, is obvious; it also tends to be sadly forgotten in much of the political debate. For example, in the January 1975 public expenditure white paper, it is officially assumed that privately-financed consumption will always bear the full strain. In

practice, however, this is highly unlikely. Politically it is easier to reduce investment, whose benefits only accrue over a long period, than consumption. Also, and perhaps more important, the measures necessary to avoid the inflationary strains that accompany growing public consumption are more likely to hit investment than consumption. There are three main reasons for this. First, many of the measures act to reduce the pool of savings available to the private sector by taxing disproportionately the wealthier sections of the population who tend to save most. Second, many of the monetary measures push up the real rates of interest at which companies can borrow and thus reduce the rewards to investment. Third, the return on investment will tend to be reduced either through taxation of profits or such arbitrary policies as price controls. At the same time, of course, there is always a temptation for government to cut back its own investment (including that in the nationalized industries) rather than vote-winning consumption expenditures. Over the long run, however, a reduction in investment will lead to a gradual deceleration of the economy, and, in setting its short-term economic targets, it is important that the government diagnose this deceleration and abstain from pursuing over-expansionary fiscal and monetary policies.

A consideration of Table I suggests that there is a basic difference between socially financed consumption, which to a large extent comprises welfare payments, and public consumption. The latter is symmetrical in that the supply and effective demand for it are the same, and it represents a diversion of production resources from other uses. Socially financed consumption, on the other hand, has no specific balancing item on the supply side. A traditional economist, while accepting the need for redistribution of income, would argue that it is better to allow the market to provide the pattern of demand that emerges after redistribution than for the state to decide on and supply the services.

The remainder of this article will be devoted to testing empirically some of the propositions set out above. However, the analysis also contains implications for unemployment, now of particular policy importance, and it seems worth setting some of them out here. In particular, the increasing

importance of public consumption and social welfare payments appear to have at least four distinguishable effects, the first three of which suggest that this growing role of the state may be generating much 'social injustice'. Briefly, the four effects are as follows:

(a) In that increasing state expenditures mean increased expenses such as insurance charges to the employer there will be a growing gap between the total cost to the employer of any employee and the net wage received by the employee, and this may price low productivity workers (including the young, the unskilled and the handicapped) out of employment.

(b) As the public sector, which is rigid, becomes large, the private sector, which is flexible, will become small, and this will make it increasingly difficult for workers and jobs to mesh. As a result there will be an increasing level of frictional unemployment.

(c) If investment is reduced below a certain level, the deindustrialization problem emerges. This would be accompanied by the sudden collapse of industries, with the capital stock proving inadequate to employ the existing labour force.

(d) On the other hand, with higher unemployment benefits, voluntary unemployment will increase as workers take more time looking for jobs; within limits, this allows for a more efficient matching of worker skills and employment.

The effect of increased state consumption on investment and economic growth would also mean that working conditions would be worse. This is because the older trades, for example foundry-working and coalmining, tend to be more tedious, fatiguing and dangerous than the new jobs created by economic growth. One cannot advocate increased public consumption as socially or morally more desirable in a vacuum. As in every economic decision, one must choose between one set of social pains and benefits and another. The pretence that such a choice does not have to be made makes a rational decision impossible. The consequence, in the United Kingdom at least, is that we have probably now reached the stage where there is more state consumption than the electorate would knowingly choose, on the one hand, while the side effects of increased state consumption are generating considerable social injustice, on the other.

TABLE II.—THE ECONOMIC STRUCTURE OF 19 INDUSTRIAL NATIONS

	National disposable income						Civilian employment					
	Proportion spent on total public current expenditure (excluding transfer payments)		Proportion spent on total public current expenditure (including transfer payments)		Proportion produced by the manufacturing sector		Proportion spent on gross domestic fixed capital formation		Proportion in agriculture, hunting, forestry and fishing		Proportion in manufacturing	
	1972	Increase in percentage 1961-72	1972	Increase in percentage 1961-72	1972	Increase in percentage 1961-72	1961-72	Increase in total over whole period 1961-72	1972	Decrease in percentage 1961-72	1972	Increase in percentage 1961-72
United Kingdom	20.7	+2.7	41.9	+7.9	30.1	-3.6	19.8	+2.1	3.1	0.9	32.9	+4.6
Australia	14.9	+3.4	32.7	+4.6	NA	NA	29.5	+34.5	8.0	+3.1	25.8	-2.3
Austria	16.1	+2.3	41.5	+4.8	39.2	-1.9	30.4	-1.7	16.4	7.2	29.9	NA
Belgium	16.5	+3.1	39.4	+8.2	33.7	+5	23.7	+8.5	4.2	4.1	33.2	-2.2
Canada	22.4	+4.4	40.9	+9.9	23.2	-3.5	25.2	+36.3	6.9	6.1	22.3	-1.7
Denmark	23.8	+8.9	49.1	+19.8	29.2	-2.5	23.4	+14.6	9.8	+7.8	24.9	NA
Finland	18.6	+4.5	42.4	+8.8	30.2	+3.3	28.6	+2.5	27.7	10.8	NA	NA
France	14.0	-7	43.1	+3.3	NA	NA	28.0	+11.9	12.7	8.9	27.3	+4
West Germany	20.4	+4.9	44.8	+4.4	47.0	-2	28.9	-9	7.5	5.6	40.6	+1.9
Ireland	16.7	+4.5	35.3	+9.4	30.0	+2.8	21.6	+7	26.7	10.6	20.4	+3.3
Italy	16.0	+3.2	37.6	+6.1	27.8	+1.7	22.1	-9.1	18.2	12.8	32.1	+4.4
Japan	10.4	+8	25.9	+1.9	35.6	-3.0	38.4	+13.5	14.8	14.2	27.0	+4.5
Netherlands	18.3	+3.1	52.0	NA	NA	NA	27.5	+13.2	6.9	4.0	25.1	-3.7
New Zealand	17.2	+2.7	NA	NA	NA	NA	24.8	+25.5	12.4	12.4	24.8	+1.4
Norway	19.4	NA	56.5	NA	25.6	NA	32.3	+8.0	12.2	8.5	23.7	+2.2
Spain	12.3	+3.1	21.5	+7.8	26.4	+1.1	22.5	+10.1	27.5	13.0	27.6	+4.2
Sweden	25.6	+8.1	45.3	+15.4	27.6	-1.9	24.6	+9.2	7.4	5.7	27.1	+6.4
Switzerland	12.9	+8	30.3	NA	NA	NA	30.9	+12.9	7.1	5.1	NA	NA
United States	23.2	+2.3	35.0	+3.7	27.5	-2.9	18.8	+22.8	4.2	3.7	24.5	-2.3

<sup>1</sup> Comparison effected by change of definition.

<sup>2</sup> Estimate based on shorter period grossed up.

<sup>3</sup> Includes mining and quarrying.

<sup>4</sup> 1969 not 1972.

Source: Col. (1) to (7): OECD, "National Accounts 1961-72." Col. (8) to (14): OECD, "Labour Force Statistics 1961-72."

TABLE III.—THE ECONOMIC PERFORMANCE OF 19 INDUSTRIALIZED NATIONS  
[In percent]

	Share in total exports of developed nations in 1974	Change in trade share 1961-74	Annual growth rate of real GDP 1961-72	Annual growth rate of real GDP per capita 1961-72	Annual growth rate of exports by volume 1961-72	Inflation: annual rate of increase in GDP deflator 1961-72	Ratio of average balance of payments current account surplus (<+) or deficit (-) to NDI	Annual rate of increase in narrow money supply (M1) 1961-72	Ratio of average government surplus (+) or deficit (-) to NDI
United Kingdom	7.0	-5.1	2.5	2.0	4.9	5.0	+0.4	4.8	-0.9
Australia	2.0	-6	5.4	3.4	7.4	3.7	-2.6	4.5	-1.5
Austria	1.3	Nil	5.0	4.4	8.8	4.0	-4	8.2	-1.7
Belgium	5.1	+8	4.8	4.3	8.9	4.1	+1.4	7.0	-3.0
Canada	6.2	-4	5.5	3.8	8.9	3.3	-8	10.5	-1.1
Denmark	1.4	-3	4.7	4.0	7.4	6.3	-1.7	10.3	+1.2
Finland	1.0	-2	4.9	4.5	7.5	5.8	-1.6	11.3	-5
France	8.4	+5	5.8	4.7	10.3	4.6	+1	9.6	-0
West Germany	16.1	+2.3	4.5	3.6	8.9	4.0	+8	8.6	-0
Ireland	5	-1	4.0	3.4	6.5	6.9	-3.5	7.0	-6.1
Italy	5.5	-9	4.8	4.1	10.8	5.0	+1.7	15.9	-5.5
Japan	10.1	+5.5	10.1	8.9	15.3	4.6	+1.2	18.8	-1.2
Netherlands	+5.9	+1.2	5.6	b 4.4	b 10.1	6.4	+1	9.2	-1.5
New Zealand	.4	-1.2	NA	NA	NA	NA	-2	2.2	-3.5
Norway	1.1	-8	NA	NA	NA	NA	NA	8.6	NA
Spain	1.3	+5	6.9	5.7	12.6	6.6	-1	13.6	-1.5
Sweden	2.9	-1	3.7	3.0	7.3	5.0	-2	6.3	+2.8
Switzerland	2.2	NA	4.1	2.8	b 7.6	5.3	+2	9.7	NA
USA	17.8	-5.2	4.4	3.2	6.4	3.1	+1	4.6	NA

Sources: IMF, "International Financial Statistics," OECD, "National Accounts 1961-72".

Note: Footnotes not supplied.

We now use the statistics presented in Tables II and III in conjunction with our earlier theoretical discussion to test the following hypotheses:

(a) Inflation and balance-of-payments problems need not result from increased public spending. However, the government must "tough-mindedly" pursue the appropriate fiscal and monetary measures if these consequences are to be avoided.

(b) An increase in public consumption will, to a considerable degree, be at the expense of investment.

(c) The economic effects of social welfare payments and direct public consumption appear to be different.

(d) A lower rate of economic growth is the long-run outcome of larger public consumption because of the reduced level of investment.

(e) The rate of growth of a country's exports is largely determined by that country's growth rate.

In the remainder of this article we present the results of examining these hypotheses by regression analysis. Our \*\*\* and, in a statistical sense, less significant impact. This implies that it is less economically harmful for the state to raise taxes and make transfer payments than to consume resources directly; for example it is better to help the poor by giving them money than by providing the services directly. If true, this finding could have considerable implications for a country like the United Kingdom which, because of its economic maturity, cannot afford a large public consumption sector without heavy economic cost but still wishes to provide considerable aid to the poor.

Equation (11) is one of many tested to see if the factors we are considering are in any way related to rates of inflation. We were unable to find any significant relationships. In particular, there is no relationship between the size of either measure of the state sector and inflation, nor does the expansion of the narrower definition of the state have any explanatory power. The equation shows, however, that the expansion of the wide definition of the state sector is associated with inflation to a very limited extent—possibly reflecting the monetary pressures that can result from an excessively fast growth of total state spending. Finally, other statistical tests showed no relationship between the average size of, or the growth in, either measure of state consumption and the long-run balance-of-payments performance of a country.

In this article we have had one underlying aim, to look at the experience of a wide range

of industrial nations in order to cast light on the extent to which the United Kingdom's present crisis is structural or simply the result (albeit grave enough) of poor economic management in the short term. In particular, we have looked at the specific question of whether economies in some sense become more difficult to manage or more prone to inflation as the size of the state sector increases. Our general finding, based on theory and empirical evidence, is that the answer is "No"; appropriate monetary and fiscal policies will still work. However, expanding direct state consumption results in a lower investment ratio and over time, a lower rate of economic growth.

In particular, our estimates suggest that in the United Kingdom the sustainable medium-term rate of economic growth has fallen by between 0.8 per cent and just over 1.0 per cent since the mid-1950s as a result of the expansion of the public consumption sector. It is possible that much of our present inflationary crisis stems from a failure to recognize the extent to which the potential growth rate of the UK economy has slowed down. As is well known, official demand management policy has, until recently, assumed that the underlying growth rate of the UK economy was some 3½ per cent per annum, and that when growth fell below this figure stimulatory fiscal and monetary measures were needed. If this 3½ per cent underlying trend assumption was too high, such a policy was bound to lead to a chronic over-stimulation of the economy. More fundamentally, the problem stems from the political environment in which politicians of all parties have tended to see a larger state consumption sector as one useful means of buying votes while at the same time concealing the fact that such largesse needs to be paid for by a diversion of economic sources from productive ends.

The British electorate have, of course, a right to choose a stagnant economy and a worsening relative poverty in the future in return for more state spending now. However, they can only make a rational decision on this choice if the relevant parameters of that "trade-off" are made available to them. Until further, and better, estimates can be provided by others the author would like to suggest that, as a simple rule of thumb to concentrate the mind, it be assumed that each 5 per cent increase in the share of national disposable income absorbed by direct state consumption (on the narrow definition excluding transfer payments) implies a 1.0 per cent drop in the growth rate.

## NOTHING VENTURED, NOTHING GAINED

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. McDONALD of Georgia. Mr. Speaker, the "no risk" concept being applied to in certain cases by the Food and Drug Administration in bans on various substances sets an extremely dangerous precedent which threatens all human life. In essence, the FDA is saying that no food or drug may be marketed unless an absolute absence of risk to health is proved.

Such an approach ignores the fact that life is conditional and that virtually any substance, including those which are absolutely necessary to sustain life, are a threat if taken in large quantities. Thus many substances and virtually any human action, including getting out of bed in the morning, involves a certain risk which must always be weighed against its benefit in sustaining life.

To ignore this fact and promote a "no risk" concept in regard to availability of foods and drugs, is an attempt to deny human beings access to substances which may not only be of benefit but may be necessary to sustain their life. Such an attitude represents not a concern with human health, but an attack on human health and life itself.

To elaborate on the "no risk" concept, I call the attention of my colleagues to the following viewpoint of Patrick P. McCurdy from the January 28, 1976, issue of Chemical Weekly.

The article follows:

NOTHING VENTURED, NOTHING GAINED

(By Patrick P. McCurdy)

How do you prove the absolute absence of risk . . . or the total presence of safety? We don't think you can. And yet the Food and Drug Administration has banned Red Dye No. 2, a widely used colorant for food, drugs and cosmetics, because it says a health risk hasn't been disproved. But can't that be said of all products?

We hold no special brief for Red Dye No. 2.

Its banishment from the marketplace won't bring down the economy or ruin its manufacturers. It is not essential to life. And in any event, there are a number of substitutes available. Indeed, some companies had stopped using it before the FDA action.

What troubles us is the underlying no-risk principle involved and its implication. Under such a guide, what products, natural or man-made, can be shown to be absolutely safe? And how do you demonstrate that safety? At some level, all chemicals probably will prove to be of some risk to health. On the other hand, some chemicals that are lethal in large doses are required by the human metabolism in trace amounts. It's conceivable that a ban on a product could be dangerous to your health. Furthermore, growingly sophisticated analytical techniques are permitting detection of substances at ever lower levels. (It may turn out that we didn't know what was hurting us—or helping us.) Clearly, unless common sense intervenes, the list of banned substances will be proliferating to ludicrous lengths.

The difficulties we may be headed for in our predilection to look under chemical beds are exemplified by the case of cyclamate. In late 1969, FDA summarily banned the sweetener, citing test data showing cancer in laboratory animals that had received massive doses of the product. The legal basis was the Delaney Clause. This clause, to refresh your memory, is the final provision of the 1958 amendments to the Food and Drug Act stipulating that no approval or tolerance may be granted to any food additive found to induce cancer when ingested by man or animal or under appropriate laboratory tests.

Since the cyclamate ban, a number of scientists, including the one who conducted the original research that led to the removal, have questioned the significance of that work. And now an advisory committee requested by FDA and set up by the National Cancer Institute to review the ban, supports the view that the cancer case against cyclamate has not been proved.

But the committee still is concerned about increased incidence of tumors in animals fed cyclamate, although there appears to be a lack of statistical significance. In other words, the safety case for cyclamate has not been proved either. According to the cancer institute experts, to check out cyclamate and its cancer link (or non-link) conclusively could require additional studies costing as much as \$10 million.

That's a lot of money, even in these inflationary times. And there's no certainty that spending it would answer all questions with the finality that some seem to be demanding. In the extreme, everything can be hazardous to your health, including the very act of living. The quixotic search for proof of the elusive notion of zero risk will be costly as well as futile. And it will have negative implications.

It may be better to be safe than sorry. On the other hand, nothing ventured, nothing gained. In the past, we have intuitively managed to balance these two conflicting approaches to life reasonably well. Otherwise, how explain the lengthening life span and generally improved quality of life worldwide? Removing all risk, even if such were possible, would also ultimately eliminate all benefits.

#### TRIBUTE TO MRS. EMMA STERN

#### HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. WAXMAN. Mr. Speaker, on June 6, 1976, the Jewish Centers Association

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of Los Angeles is honoring Mrs. Emma Stern for her outstanding services to the community over a period of many years.

Mrs. Stern is presently the chairman of the advisory council for the federally funded RSVP program—Retired Seniors Volunteer Program.

In 1928 Mrs. Stern was a volunteer for Cedars of Lebanon Hospital. She was organizer and president of the Service League which later became the Vocational Counseling Bureau. She was organizer and first president of the Jewish Centers Associates—which raises funds for camperships and senior citizens projects.

As chairman of a war bond booth at Beverly Boulevard and Fairfax, manned entirely by volunteers, she helped to raise \$11 million of bonds.

She has served as a delegate to the White House Conference on Aging, a member of the Mayor's Committee on Aging, and as chairman of the Senior Adult Program at the Jewish Centers Association.

She has also been a member of, or officer of the board of many other service organizations.

She is receiving a well-earned tribute and it is my pleasure to join in honoring Mrs. Emma Stern.

#### “IT IS TIME”

#### HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. RANGEL. Mr. Speaker, I would like to respectfully submit for the record a speech given by Mr. Richard E. Wiley, Chairman of the Federal Communications Commission, before the National Cable Television Association's 25th annual convention on April 5, 1976.

Chairman Wiley addressed several issues which call for a “new realism,” particularly the disgraceful figures of blacks in the cable television work force. Mr. Speaker, I agree with Chairman Wiley that “it is time” this industry begins to realistically address its obligations to provide equal opportunity employment for all of those interested in a cable television career. While women are under-represented in the industry consisting of 8 percent of the work force, blacks are even less fortunate. The black work force of cable television make up a deminimus 3.1 percent of the work force and only 2.2 percent of that figure fall in the “high-salaried” positions. The figures are sad indeed. It is my hope, Mr. Speaker, that we in the Congress will take upon ourselves the initiative to mitigate this gross inequity if the industry will not adjust to the “new realism.”

Herewith, I submit the portions of the text of Chairman Wiley's speech that specifically address the important issue:

It Is Time

(Address by Richard E. Wiley)

Thank you for inviting me to address this important national convention for the third time as Chairman of the Federal Communi-

cations Commission. And notwithstanding all of my many “friends”—such as your industry, the broadcasters, telephone companies, international record carriers, citizens band manufacturers, Congress, the Justice Department and, last but not least, OTP—I hope and plan to be with you once again next year. Believe me, ladies and gentlemen, it is nice to be wanted!

Without reverting to my tried and true speech pattern, let me say that the most recent reregulatory chapter has just been written. As a result of our deliberations last week, new FCC policy—relative to the “1977 rebuild”—will include the following principal changes:

Federally imposed access and channel capacity requirements are eliminated for all cable systems with less than 3,500 subscribers;

Even systems over 3,500 subscribers are exempted from the obligation to maintain four access channels where they do not have sufficient activated channel capacity. Such systems are required to provide only a single designated channel for composite access purposes;

The one-for-one rule (that is, the correlation between the number of non-broadcast channels and the number of television signals which a system carries) is abolished for all systems;

The requirement to reconstruct to meet two-way channel capacity requirements is deleted except for new systems with more than 3,500 subscribers; and

Systems with less than 20 channel capacity and over 3,500 subscribers have ten years (that is, to 1986) to reconstruct.

While reregulation will be a continuing process, the FCC's actions to date essentially have taken the federal “lid” off your industry. Moreover, the rules which ultimately remain—those which we believe are necessary to achieve our basic regulatory purpose in the public interest—should not really inhibit the growth of your systems if the American people desire (and are ready to pay for) the services which you have to offer.

What I am saying is simply this: it is time, in my opinion, to lay aside doubt and uncertainty concerning your progress and your potential. Instead, it is time for you to demonstrate that cable can make it in the one forum which counts under our economic system. Ladies and gentlemen, it is time to take your product to the marketplace aggressively and with confidence.

In this connection, there seems to be considerable room for optimism on your part. Despite all of the false starts and disappointments, your industry has grown—in the last 23 years—from 70 operating systems to 3,200. Total subscriptions have risen in that time from a mere 14,000 to over 10 million (or about 14 percent of the nation). While this expansion may not seem phenomenal over such an extended period of time, it is important to recognize that nearly 50 percent of the rise has come in the last four years. Moreover, such growth increasingly is penetrating major markets. And in the pay cable arena, the facts are that the number of subscribers may soon reach the one million mark and that satellite interconnection has left not only the drawing board but the launching pad as well.

Things are, at long last, looking up for you once again. Subscriber interest in your services seems higher than ever before, and even the money market is gradually opening up for cable investment. Despite having been spolled by blue sky industry promises and stunted by regulatory strictures and handicaps, the infant industry appears to be surviving. But if this offspring is to become a fully adult member of the communications universe, it seems to me that the time has come to let the consumer—and not the

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huckster, theoretician or bureaucrat—decide the course of its ultimate development.

This concept of letting the people determine your fate is the fundamental motivation behind a good deal of our recent actions at the FCC. To be candid, cable was egregiously oversold in the 1960's as the solution to everything from ballots, to burglar alarms, to electronic babysitting. The age of industry puffery and academic stargazing was upon us—and we all bit and bit hard. The result was an initial cable boom and an eventual and very frustrating bust—one in which a lot of people got angry, hurt and disillusioned. It is time now to do it right—and from a much more realistic perspective.

The "wired nation", in all honesty, is not just around the corner. Cable is not the be all and end all of telecommunications in this country. Indeed, I question whether it is even a necessity which should be supported by government funds. It is, on the other hand, a new and useful way of bringing diverse, broadband services to the consumer. It does not use scarce spectrum space and, accordingly, does not have the inherent limitations of those media which do. By all odds, it can be a valuable service to many of our citizens—but not one which, despite understandable concern on the part of some television licensees, will likely destroy commercial broadcasting to the mass of the American people.

As for all the "blue sky", let me say that—as a citizen—I would like to see such things as shopping at home and other two-way services, electronic mail and newspaper delivery, and all of the other "cable fables" become widespread realities. But, and mark me well here, these things will and should develop only when the public really wants them—and only when the public is willing to pick up the tab for them.

In this connection, let me admit that the "1960's syndrome" of inflated expectations was not confined to academic and industry spokesmen. We, in government, were dreaming also—and these dreams had very little to do with the realities of the marketplace and consumer demand. And, so, the "free channels for everyone and everything" concept grew within the bureaucracy—both in Washington and, as you certainly know, across the country. Our reregulation efforts—in particular, our new rebuild and access rules—have begun what I hope is a new trend: a trend away from "pie in the sky" and toward what I call a "New Realism". In my opinion, it is time for a New Realism in state and local regulations as well—and, indeed, a New Realism in the private sector.

Based on discussions with numerous cable industry leaders, it is my sense and belief that such a realism is beginning to emerge within your ranks today. Take, for example, your association's present attitude toward copyright. The NCTA—behind the solid leadership of Bob Schmidt and Rex Bradley—is firmly on record in favor of reasonable copyright payment. With few exceptions, it seems that most of you now agree—as I have been saying since 1972—that the sooner you get this matter decided and behind you, the better. I also hope that this New Realism will encompass forfeiture legislation. I cannot imagine why any honest, responsible businessman in this audience, by opposing such legislation, would seek to protect a few "bad apples" who refuse to comport with a decent standard of professional conduct. Moreover, why would you do this when—as I have said publicly before—enactment of a forfeiture bill would facilitate a substantial streamlining or perhaps even elimination of the certification and recertification processes. The Commission should have this authority—and, once again, the sooner the better from your standpoint.

I also hope that a New Realism will extend

to members of the cable industry who are calling for new federal regulation. What this industry needs is less, not more, government intervention. While aid from "Big Brother" may look appealing when trouble arises, keep in mind that you ultimately may get more help than you bargained for. Indeed, "Big Brother" may end up trampling you in his efforts to be of assistance.

If you doubt the truth of that statement, ask your nearest friendly broadcaster. If you have difficulty finding one, ask an unfriendly broadcaster; you'll get the same answer. Fifty years ago, the broadcast industry requested help from the federal government and, in return, received a mountain of rules, regulations, restrictions and reporting requirements. And look what you received without even soliciting FCC assistance. Think what you might get if you asked for it. Take my advice, don't!

Finally, I also hope that the New Realism will embrace—in your own self-interest and in the public interest—what is both the law of the land and a moral obligation. I refer to equal employment opportunity. Here again, cable has been oversold—oversold as the entrepreneurial and employment answer for every member of a minority. Clearly, it is not such an entity. At the same time, however, cable is a new, emerging industry which can provide a significant opportunity for the involvement of minorities and women in communications. No one is—or, at least, should be—asking for quotas; and no one wants—or should want—the government to make individual personnel decisions for you. But I think we can responsibly ask you to make a strong and sincere effort toward affirmative action.

To date, I regret to say that your industry has not initiated an effective program in this area. For example, our most recent EEO reports (1974) show that—out of a total of 17,300 employees in reporting units—only 538 were Black Americans. This translates as an industry work force of only 3.1%. Worse yet, in high-salaried job categories (including officers and managers, professionals, technicians and sales workers), Blacks constitute only 2.2%. Moreover, women also have experienced some difficulties—they constitute, for instance, only 8% of the employees in high-salaried positions within the industry. Overall, this is a disappointing performance—one which should be changed through voluntary action and, if necessary, additional governmental attention. Enough said, I hope and trust.

In closing, let me reiterate my basic theme for today: it is time to take your product to the American people. It is time to stop fretting and complaining about government regulation—and to start selling your services to the public with determination. It is time to adopt a New Realism about your future prospects and, as you become more successful, about your future responsibilities to the citizens of our country. And, in the final analysis, it is time for this industry to grow up and to assume its rightful place in the world of telecommunications.

And now, ladies and gentlemen, it is time . . . for me to sit down and stop talking!

## A MILESTONE FOR MRS. LAURA DAVID OF WEST PHOENIX, ARIZ.

## HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. STEIGER of Arizona. Mr. Speaker, on June 24, 1976, a woman in my home

State of Arizona will reach a milestone in her life. For 25 years, Mrs. Laura David has not missed one Sunday School class at her church, the West Phoenix United Pentecostal Church. This 78-year-old woman has made a meaningful contribution to her community. She has given the young people who know her an example of steadfastness. She has shown others that the values she holds most dear are values she is prepared to implement.

In every part of our country, millions of Americans like Mrs. David attend their churches, their work and their families. They go honorably about their daily affairs, paying their taxes, helping their neighbors and committing no crimes. They do not seek accolades and they do not threaten, wheedle, or complain. It is well for us if, from time to time, we recognize with appreciation that the strength of this Government is completely dependent upon their continuation in virtue.

## LARGEST INVESTMENT SECURITIES FIRM IN THE UNITED STATES SUPPORTS FEDERAL LOAN GUARANTEES FOR SYNTHETIC FUEL PROJECTS

## HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. TEAGUE. Mr. Speaker, in testimony about synthetic fuel projects before the House Committee on Science and Technology, Ronald Paige, manager of the Public Utility Department of Merrill, Lynch, Pierce, Fenner & Smith, stated:

I hope that these comments will provide the Committee and the Congress with useful information on the . . . importance of Federal debt guarantees in the financing of these projects.

Merrill, Lynch is the largest securities firm in the United States, the largest underwriter of corporate debt and equity securities, and, by dollar volume, the largest broker-dealer of Government securities.

Mr. Paige's remarks dealt primarily with commercial-scale high Btu coal gasification plants because he felt that the investment community had a greater familiarity with these projects than the others detailed in H.R. 12112.

According to Mr. Paige, when investors examine a project-type investment the risks of noncompletion and uneconomic operation are considered of major importance. Since a project entity relies on the production of its own revenues to pay off its debt, any investor will necessarily be concerned about the possibility that the project's revenues will never begin to flow, will be insufficient, or will be easily subject to interruption. If any of these possibilities exist, the investor will consider the project a significant credit risk. If, on the other hand, the risks of noncompletion or economic op-

eration are limited, transferred or eliminated before construction of the project begins, the proportion of the perceived risk to the investor is minimized. Mr. Paige states:

H.R. 12112 intends to provide the debt investor with guarantees that will reduce or greatly limit the size of the credit risks in a commercial-scale coal gasification project.

Mr. Paige enumerated risks of non-completion that are characteristic of commercial-scale coal gasification projects as follows:

First. Technological uncertainties in construction: Although the technology for these plants has been proven on a smaller scale, no project of the size presently contemplated has been attempted. This means that an investor must rely solely upon engineering reports and feasibility studies to assess the construction risks.

Second. Length of construction period: Since the construction time of these projects spans several years, the project costs are particularly susceptible to inflationary impacts.

Third. High cost: Commercial-scale coal gasification projects are capital intensive, requiring vast amounts of start-up capital.

Fourth. Unforeseen regulatory or environmental constraints: New regulations or environmental legislation may seriously delay construction of a project causing cost overruns or may even prevent completion.

Mr. Paige suggests that even if a project has been completed, there remain major risks of uneconomic operation. He lists the following:

First. Technological: The technology involved in coal gasification plants is untested on the proposed scale of operation and could result in service interruption or consistent low efficiency operation which might in turn imperil revenue flow.

Second. Regulatory: Future regulatory policies on either the Federal or State level could inhibit the economic operation of a project. These include hostile environmental restrictions or litigation and shifts in Government policy, any of which could impair the economic viability of a project.

Third. Ultimate price of project output: So far neither the Federal Power Commission nor State regulatory commissions have been able to determine a fair and appropriate price for this type of fuel.

In addition to the risks of noncompletion and uneconomic operation, Mr. Paige describes the financial status of the regulated natural gas industry as an additional impediment to investor security in coal gasification projects. From World War II through the 1960's, the regulated natural gas industry enjoyed a stable reputation in the capital markets due to large natural gas reserves, strong market demand, and cost and reliability advantages to natural gas customers.

Today uncertain gas supplies and restrictive regulations have reversed the gas companies' financial status and

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placed them in unfavorable conditions.

Over the next decade the financial markets will play an important role for corporations in the energy sector. The capital investments that will be made by the energy sector through 1985 are estimated at about \$60 billion per year. Energy corporations will necessarily have to go to the financial markets to raise a significant portion of this money. They will be competing with other industries for the finite supply of investor funds. Their disadvantages will be considerable because investors feel the technology and economics associated with synthetic fuel projects create an unacceptably high degree of risks. But Mr. Paige states in summary that—

The proposed loan guarantees will remove any doubt as to the financial viability of synthetic fuels commercialization projects and allow the sponsors to pursue the objectives of the Federal Non-nuclear Energy Research and Development Act, the development of new technology to meet the country's energy needs.

### AILEEN CLARKE HERNANDEZ RECEIVES TRIBUTE

#### Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mrs. BURKE of California. Mr. Speaker, this past weekend a number of my friends and colleagues in California gathered in the bay area to pay tribute to one of our most involved and diligent citizens. On Sunday, Aileen Clarke Hernandez, a nationally recognized high achiever and former president of the National Organization for Women, was recognized for her extensive contributions to our community, the State, and the Nation.

Given the importance of her contributions to societal life, I believe it is only fitting to review her accomplishments before this body.

Ms. Hernandez currently operates an urban affairs and management consultant firm in San Francisco that serves major American companies, governmental agencies, educational institutions and private foundations on urban problems, employment, housing, sex discrimination, racism, et cetera. She returned to the bay area in November of 1966, when she resigned her position as a Commissioner with the Equal Employment Opportunity Commission, charged by the Civil Rights Act of 1964 with enforcing the Federal law against employment discrimination based on race, color, religion, national origin or sex. Appointed by President Lyndon B. Johnson and confirmed by the U.S. Senate in June of 1965, Ms. Hernandez—the only woman member of that first Commission—had previously served as the Assistant Chief of the Fair Employment Practice Commission.

Born in New York City, Ms. Hernandez spent most of her childhood in the Bay

Ridge section of Brooklyn, attending Public School 176, where she was valedictorian and graduating from Bay Ridge High School as salutatorian in 1943. She was advised by a teacher who took an interest in her to attend Howard University, and after winning a scholarship, studied political science and sociology there, receiving her AB degree, magna cum laude, in 1947.

Her choice of political science stemmed, in part, from her deep belief that democratic government requires full participation by all citizens in decision-making and, in part, from personal encounters with discrimination in the Nation's Capital—where she remembers waiting for the "Negro taxi" which was always "last in line".

She later had a chance to help break the color line in District of Columbia when, in 1945 and 1946 as a member of the Howard Chapter of the NAACP, she joined in picketing against the segregationist practices of the National Theater, Lisner Auditorium and the Thompson Restaurant chain.

Much of her political outlook crystallized during her student years. She supported the returning veterans in their attacks on segregation in the District of Columbia and began to develop and advocate programs that would bring blacks and other disadvantaged groups into full partnership in the American system—both economically and politically.

On the scene in New York—as a graduate student at New York University—when the International Ladies Garment Workers Union—ILGWU—challenged young people of dedication to join union service, she accepted the challenge, postponed completion of her academic studies and entered a year of training in the unique college of labor leaders known as the ILGWU Training Institute. In 1951, she moved to California as an organizer in the Pacific Coast region of the ILGWU and was promoted, in her 11 years with the union first to assistant education director and then to education and public relations director for the union.

She went from union work to political campaigning managing the southern California community program for the overwhelmingly successful Democratic candidate for State Controller Alan Cranston in 1962, to assistant chief of the California Fair Employment Practice Commission, to Presidential appointee and then into her own consulting firm in San Francisco.

Her Fair Employment Practice Commission work in California involved supervision of the 50 member staff assigned to four field offices in San Francisco, Los Angeles, Fresno, and San Diego. She initiated the formation of the California FEPC's Technical Advisory Committee on Testing—TACT—a group which has done comprehensive analysis of industrial testing as it affects the hiring of minority groups.

She worked, during her period of service as a Commissioner of the Equal Employment Opportunity Commission, on coordinating the activities of the many

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State and local commissions with the national commission.

A member of many civic and political groups—NAACP, urban League, American Civil Liberties Union, Steering Committee of the National Urban Coalition, board of trustees of San Francisco's Mount Zion Hospital, Ms. Hernandez was named "Woman of the Year" in 1961 by the Community Relations Conference of Southern California and in 1968 as one of the 10 outstanding women in the San Francisco Bay Area by the San Francisco Examiner.

She has traveled extensively throughout Latin America at the request of the State Department, serving as a labor education specialist for trade unions in Venezuela, Colombia, Chile, Peru, Argentina, and Uruguay.

In the summer of 1973 she participated in an International Feminist Planning Conference in Boston, Mass. and chaired several of the deliberative sessions of that meeting which brought together women from 30 countries of the world to discuss the needs of women. The conference, initiated during Ms. Hernandez' term as national president of NOW, was an important first step in linking the world's women. Many of the women who participated in the 1973 conference were active participants in the Mexico City International Women's Year conference.

In January of 1975, at the invitation of the State Department, Ms. Hernandez traveled to Germany for a series of lectures and participation in a major conference on Minorities and the Metropolis, sponsored by the Konrad Adenauer Foundation. Her paper to that group will be published in the proceedings of the conference late in 1975. An article by Ms. Hernandez entitled "On Being a Black Woman in the United States" will appear in a handbook for high school teachers in Germany.

In light of Ms. Hernandez' outstanding career, I ask my colleagues to join me in honoring this truly involved, committed citizen.

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ADMINISTRATION FOREIGN INTELLIGENCE SURVEILLANCE BILL ATTACKED

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HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. DRINAN. Mr. Speaker, the Judiciary Subcommittee on Courts, Civil Liberties, and the Administration of Justice recently began hearings on H.R. 12750, the Foreign Intelligence Surveillance Act of 1976. Although that proposal was initially greeted with some applause, even from Members who ordinarily are sensitive to civil liberties, the bill has of late become the subject of extended criticism.

In the May 29, 1976, issue of the Nation, Christopher Pyle, a professor at the

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John Jay College of Criminal Justice and one of the first persons to disclose the existence of the Army surveillance program in the 1960's, critically examines the substance of this bill. His analysis reveals a number of serious deficiencies in the measure. While the bill has the appearance of producing good results, Professor Pyle concludes that it is "regressive legislation which comes perilously close to perpetrating a fraud upon the Constitution, the courts, and the public."

Because of the intense concern among the Members of this body for protecting the right of privacy, I am having the article reprinted here for examination and study:

A BILL TO BUG ALIENS  
(By Christopher H. Pyle)

At a White House meeting on March 23, President Ford, Attorney General Levi and Senator Kennedy unveiled a bipartisan bill (S. 3197) to govern electronic surveillance for national security purposes. To the White House press corps, more interested in politics than substance, the proposal seemed splendid—the historic first fruit of a year of wrenching disclosures and fractious debate over the proper role of intelligence agencies in a free society. If passed, the bill would require the government to obtain judicial warrants before installing wiretaps and bugs to monitor suspected foreign agents.

Unfortunately, the Levi-Kennedy bill is not splendid at all. It is regressive legislation which comes perilously close to perpetrating a fraud upon the Constitution, the courts and the public. To understand why, it is helpful to recall some basic principles, including the Fourth Amendment:

"The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the person or things to be seized."

According to the Supreme Court, electronic surveillance constitutes a "search" within the meaning of the Amendment and interception of electronic communications is a "seizure." As a general rule, warrants to conduct such searches can be issued only by judges, who must decide whether the proposed invasion of privacy is "reasonable." Traditionally, this has meant that the government must persuade the judge that there is probable cause to believe that the information sought relates to a *crime*; warrants for the clandestine collection of general information for political purposes have never, until now, been sought or granted.

To carry out their constitutional function of providing a potential check against overreaching investigators, judges are expected to render an independent and informed judgment based on the totality of the circumstances. They must be told why the government believes that a crime has been, or is about to be, committed; why the proposed search may produce evidence of that crime; where the government proposes to search, and what it expects to seize. Unless the judge knows these facts, and can examine the inferences which the investigators have drawn from them, he cannot carry out his duty.

In their attempt to clarify and expand the government's authority to gather intelligence, the bill's sponsors would undermine these principles in three fundamental ways. First, they would create a new breed of "funny warrants" in which the need for the monitoring would be decided by the govern-

ment's spy chiefs, and not by federal judges. Second, the bill would deny Fourth Amendment rights to foreign visitors, even though they have done nothing to violate our laws or threaten our security. And third, it would expose citizens, resident aliens and foreign visitors alike to the possibility of criminal prosecution or political harassment as the result of searches undertaken without the slightest reason to believe that a crime has been, or is about to be, committed.

Perhaps the most shocking aspect of the bill is its corruption of Fourth Amendment standards. On its face, S. 3197 appears to require a judicial finding of "probable cause," but upon closer reading it makes a mockery of that duty. No crime need be alleged; the surveillance would be for intelligence purposes only. Courts would be permitted to decide whether there is probable cause to believe that the target of the proposed surveillance is a foreign agent or foreign power, and that the facilities or place to be monitored are, or are about to be, used by a foreign power. But, the crucial decision of whether the interception was really needed for legitimate intelligence or counter-intelligence purposes would be left to the President's Assistant for National Security Affairs or other national security executives like the Secretary of Defense, the Secretary of State, the Director of Central Intelligence or the Attorney General.

Under a novel certification procedure, the nation's spy chiefs (or their designees) would simply declare that the proposed tap or bug was needed—to protect the country against attack, assure the security or defense of the nation, promote the conduct of foreign affairs, or counter the intelligence activities of foreign nations. Judges would not be allowed to question that judgment. In short, the bill would create a "funny warrant" delegating an essential element of the judiciary's power to the unreviewable discretion of the men who have succeeded John Mitchell, Richard Kleindienst and Richard Helms. Judges would be reduced to bestowing empty blessings on the unchecked exercise of Executive will.

In addition, the bill appears to be grounded on the extraordinary idea that nonresident aliens are not "people" within the meaning of the Fourth Amendment. Reviving a theory used by Attorney General Palmer to justify his infamous "Red Raids" of 1919 and 1920, Attorney General Levi told Senator Church's Select Committee on Intelligence Activities last December that the only "people" protected by the Constitution from unreasonable searches and seizures are: "We, the people" who, in the words of the Preamble, "do ordain and establish this Constitution for the United States of America."

These people, Levi insisted, included only citizens and resident aliens. How resident aliens, who cannot vote, can be regarded as "ordainers" under the Preamble and therefore "people" under the Fourth Amendment, he did not say. Nor did the Attorney General explain why foreign visitors are now considered "persons" entitled to due process and equal protection under the Fifth and Fourteenth Amendments, if they are not also "people" entitled to be free from unreasonable searches and seizures under the Fourth. Ignoring these obvious anomalies, Levi has revived a nativist view of the Constitution which, if accepted by the Supreme Court, would transform hundreds of thousands of foreign visitors each year into Fourth Amendment outlaws, subject to whatever invasions of their privacy might be deemed appropriate by transient, often anti-foreign majorities of Congress.

This crabbed view of the Fourth Amendment can be found in the wiretap bill's sweeping definition of an "agent of a foreign

power" as anyone "who is not a permanent resident alien or citizen of the United States and who is an . . . employee of a foreign power." A "foreign power" is defined not only as "foreign governments" and "military forces" but "fractions, parties, . . . or agencies or instrumentalities of such entities, or organizations composed of such entities . . . or foreign-based terrorist groups."

The scope of this definition is truly breathtaking. Fourth Amendment protection against unreasonable national security wiretapping would be denied not only to suspected spies (whose agencies curiously are omitted from the list) but to doctors from Sweden, professors from France, railroad engineers from Great Britain, politicians from Canada, and UNICEF workers from Australia. Indeed, given the millions of people that socialism has put on foreign government payrolls, about the only foreign visitors clearly exempted under the bill are apolitical foreign businessmen, like the executives of multinational corporations whose dealings in strategic commodities have caused consternation in our intelligence agencies.

Were surveillance under the bill limited to cases of espionage or sabotage, the sweep of the foreign agent definition would be of little consequence. The bill, however, has nothing to do with those crimes, which can be investigated under the 1968 wiretap act. What Levi wants is authority to use wiretaps and bugs to investigate wholly lawful statements and activities. The primary purpose of his bill is not even to counter the lawful snooping of Russian spies (although it would also serve that purpose). It is to facilitate spying by the FBI and the CIA on the communications of foreign visitors in search of information on the politics and economics of foreign lands, regardless of whether those lands are hostile to the United States. Targets could include one's cousin from Brussels who imports oil for the city, a brother-in-law from Israel who sits in the legislature, or an uncle from Dublin who raises money in Ireland for the IRA. Moreover, since the bill empowers courts to issue warrants compelling landlords, custodians, or "other specified persons" to assist with the surveillance, Americans could be forced to help the government spy on their own guests from abroad.

If the Levi-Palmer theory of the Fourth Amendment were upheld by the Supreme Court in a test of this bill, the FBI would have constitutional grounds for asserting that foreign visitors have no rights its agents are bound to respect. Visiting the United States could become as annoying as touring Communist countries, where clandestine searches of hotel rooms and luggage are a common occurrence.

The theory is too preposterous to be maintained. Should the bill ever be challenged in court, the Justice Department is likely to take a seemingly more moderate position, to concede Fourth Amendment rights to foreigners in theory and eviscerate those rights by definition. For example, it could insist that the warrant procedures of S. 3197 are "reasonable" when applied to foreigners, even though they would be unconstitutional if applied to citizens, because foreigners are more likely than citizens to engage in espionage, and because espionage might, in certain circumstances, pose greater danger to the public interest than the ordinary felonies of patriots.

Given the reluctance of the Supreme Court to come out and say clearly that the Fourth Amendment applies to all government taps and bugs, whatever their purpose, the ploy might work, even though the bill has nothing to do with the traditional crimes of espionage or sabotage. Few government officials are disposed to grant aliens the same rights as citizens, and the Justices of the

Supreme Court are no exception. For years they have upheld the constitutionality of legislation denying aliens the rights to free speech, free association and fair hearings enjoyed by citizens.

Aliens charged with espionage have fared no better with Fourth Amendment claims. Warrantless wiretaps were upheld in the case of Igor Ivanov, a Soviet national convicted in 1970 of spying on the Strategic Air Command. The Third Circuit Court of Appeals ruled that "in the circumstances of this case prior judicial authorization was not required," and held that Ivanov's Fourth Amendment rights were adequately protected by an after-the-fact review of the "reasonableness" of the wiretapping by a trial court that knew of the evidence that had been obtained. The Court of Appeals acknowledged that its decision amounted to a "relaxation of Fourth Amendment requirements" and that similar wiretaps in the case of a domestic political organization or ordinary criminal would have been illegal, but the Supreme Court refused review.

In 1960, the Warren Court went even further in order to uphold the abduction of Rudolph Abel, the Soviet master spy, who was spirited out of his studio in Brooklyn, New York, and flown to Brownsville, Texas, where he was held prisoner for two weeks by the CIA. The law which permitted Abel's arrest under an administrative warrant issued by the Immigration Service (because he was suspected of entering the country illegally) was accepted as constitutional, even though the arrest of a citizen under similar circumstances and without prior judicial authorization would not then have been tolerated.

Thus, while it remains to be seen whether the Supreme Court will extend its current double standard from cases involving spies and immigrants to a broad law permitting political and economic eavesdropping on law-abiding foreign visitors, the prospects are not auspicious.

The Levi-Kennedy bill threatens more than the rights of visitors; it would limit the rights of citizens as well. The Supreme Court has ruled, as a matter of Fourth Amendment law, that evidence obtained from warrantless government taps and bugs must be excluded from judicial proceedings; nothing less will cure the constitutional violation. The proposed law would deny this protection to citizens as well as aliens, provided that the executive branch had been able to persuade a judge that there was probable cause to believe that the person to be monitored was engaged in "clandestine intelligence activities . . . pursuant to the direction of a foreign power." Once the judge accepts a "funny warrant," authenticates the certificate of need, and accepts the government's promises to minimize its eavesdropping on innocent third parties, all evidence of any criminal activity "incidentally" overheard can be used against the target in court. Moreover, the government would not have to reveal to the defendant where it got the information, as it now must do in ordinary criminal cases.

On its face, this provision appears to be aimed at an especially dangerous class of criminals: atom spies, saboteurs and sky-jackers. In fact, that is not its purpose; federal law already permits the government to monitor them. This bill calls for something new. By using the term "clandestine intelligence activities" instead of espionage, sabotage or murder, the government seeks the power to use wiretaps and bugs to investigate wholly noncriminal conduct including lawful inquiries into public record information bearing on American economic and military capabilities.

The provision is a memorial to a Nazi agent named Heine who put together an extensive profile on our aircraft industry on the eve of World War II by posing as a student/journalist and using wholly nonclassified data. Under the espionage laws then and now in force he could not be convicted of any crime.

The law Attorney General Levi proposes would permit electronic surveillance of Mr. Heine without probable cause to believe that he was about to commit any crime. It would also go much further, because nothing in it says that the person acting "pursuant to the direction of a foreign power" must be a willing participant in "clandestine intelligence activities." All the government would need to show would be that there was probable cause to believe that an unquestionably loyal American was engaged in research, advertising, lobbying or legal work for a foreign government, party, faction (whatever that is), or international organization, and that the work being done arguably served the secret intelligence purposes of that "foreign power." And, since judges would not be permitted to question the government's certificate of need or review the information gleaned from the wiretap, they would be unable to protect American citizens from the misuse of national security wiretapping for partisan political purposes.

Similarly, the bill would permit electronic surveillance of any person—including an American with no links whatever to a foreign power—who "assists . . . a person who, pursuant to the direction of a foreign power, is engaged in clandestine intelligence activities, sabotage, or terrorist activities. . . ." Again, willing service is not required. Lawful assistance to a person secretly engaged in wholly lawful information-gathering activities for a foreign government would expose one to wiretapping or bugging and the concomitant danger of criminal prosecution for wholly unrelated activities which might, for one reason or another, be considered criminal. Given the specious justifications still being offered by Nixon administration officials for their taps on newsmen and ex-National Security Council aides, and the harassing use of criminal and noncriminal wiretap information by the FBI in its vendetta against Martin Luther King, it is not difficult to see how this provision could be misused.

Finally, the same provision would endanger the privacy of anyone who, willingly or unwittingly, "assists" any person engaged in undefined "terrorist activities" anywhere on the globe "pursuant to the direction of a foreign power." Ethnic Americans with ties to strife-torn countries would be particularly vulnerable, because the bill is written broadly enough to permit monitoring of money raisers for Palestinian charities, persons who support relatives on the revolutionary side of a foreign war, or publishers who print the manifestoes of foreign revolutionaries.

The bill's ultimate mockery of the Constitution and the courts, however, lies not in its subversion of the Fourth Amendment but in its failure to reject executive claims to an inherent constitutional power to conduct surveillances, whatever Congress provides by law.

The bill seems to require that intelligence agencies obtain judicial warrants before undertaking any wiretaps or bugs, but that is not the case. A disclaimer at the end of the bill releases the executive branch from even that small restraint. It would put the Congress on record as actually acknowledging "the constitutional power of the President to order electronic surveillance . . . [for national security intelligence purposes]" and disclaiming any intent to restrict that power.

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No Congress has ever gone so far. The disclaimer is not merely a disclaimer, it would actually give the executive branch the power, subject only to whatever restraints the Supreme Court might impose, to evade the bill from the outset, or to defy a federal judge and go ahead with a surveillance he has refused to approve.

It is probable that the bill's sponsors on Capitol Hill do not intend the many abuses that could arise from it, but laws touching on fundamental rights should be drafted with precision and should not lend themselves to easy manipulation. It is not enough to say that we now have an Attorney General of unquestionable integrity, or that the intelligence bureaucracy has learned its lesson. If the history of electronic surveillance over the past forty years teaches us anything, it is that officials of high integrity have adopted specious interpretations of the law, and that secret agencies should never be trusted.

Liberal proponents of the bill argue that it deserves support despite its obvious constitutional defects because it contains useful procedures to protect the privacy of third persons, and because the current Supreme Court, if left to its own devices, might rule that judicial warrants are not required when the target of the eavesdropping is a suspected foreign agent. In today's climate, they argue, reformers must take what they can get. The important goal should be to establish the principle of judicial warrants—even "funny warrants"—in national security cases; vindication of the rest of the Fourth Amendment can come in later years. The bill may demean the courts and defraud the public, but that is the price which must be paid for a marginal advance for liberty in an atmosphere hostile to reform of the intelligence agencies.

If they are right, that is a tragic commentary on the state of liberty on the eve of our Bicentennial.

## THE BICENTENNIAL: A CELEBRATION OF FREEDOM AND FREE ENTERPRISE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. CRANE. Mr. Speaker, in celebrating the 200th anniversary of the American Revolution we should be concerned not only with marking the event, but also with commemorating the ideas and values which motivated it.

One of the essential values was that of the sanctity of private property and the clear connection between free enterprise and other forms of freedom.

John Adams, in his "Defense of the Government of the United States of America," declared that,

Property is surely a right of mankind as surely as liberty. The moment the idea is admitted into society that property is not as sacred as the Laws of God, and that there is not a force of law and public justice to protect it, anarchy and tyranny commence.

Reviewing the history of the American colonial period, Prof. Gottfried Dietze of the Johns Hopkins University, in his book, "In Defense Of Property," declared that,

The American Revolution became, to a great extent, a movement for the protection of property.

Now, there are many in America who tell us that free enterprise can be eliminated, and replaced with one or another form of nationalized Government control of the economy, and yet our other freedoms can continue. This, however, is unlikely. Free enterprise is simply freedom applied to the marketplace. If economic freedom is ended, it is difficult to imagine that other freedoms could long endure. In this connection, economist Milton Friedman stated that,

The kind of economic organization that provides economic freedom directly, namely, competitive capitalism, also promotes political freedom because it separates economic power from political power and in this way enables the one to offset the other.

The fact is that the United States is the most free and the most prosperous Nation not only in today's world, but in the entire history of man. How did we get to this enviable position?

In a Bicentennial message, James S. Kemper, Jr., president of the Kemper Insurance and Financial Companies, and Maxwell D. Rudgers, senior executive vice president, declare that we reached this position,

Through a democratic political system and the free enterprise system. The free marketplace has served to rid the country's economy of inefficient businesses. . . . As long as we maintain this system, production will rise, wages will increase and goods and services will be increasingly available to all.

As we commemorate the 200th anniversary of the American Revolution, let us also celebrate the 200th anniversary of a free and prosperous economy.

I wish to share with my colleagues the Bicentennial message of the Kemper Insurance and Financial Companies and insert it into the RECORD at this time:

## A BICENTENNIAL MESSAGE

As we near the 200th anniversary of our country's birth, it is fitting that we pay tribute to the economic system—the private enterprise system—which has brought Americans the highest standard of living the world has ever seen.

At birth, this fledgling nation presented a dismal economic picture. But our history bears out the founding fathers' convictions that the nation's difficulties could be overcome. However, we have not merely overcome our problems. We have, in terms of economic efficiency, outdistanced every other nation in the world.

How did we reach this enviable position? Through a democratic political system and the free enterprise system. The free marketplace has served to rid the country's economy of inefficient businesses. Only those which can serve the consumer in an economical way have survived. And to remain viable today, businesses must reinvest their profits in new products, innovations and improvements, all to the benefit of consumers. As long as we maintain this system, production will rise, wages will increase and goods and services will be increasingly available to all. It was in this way that our infant nation was able to develop an industrial plant capable of preserving the nation's freedom and well-being of its people to a degree that would astound its founding fathers. And it will sustain us in the future.

Now that the free enterprise system is celebrating its 200th birthday, a lot of people are wondering if its lifespan has ended. Ironically, the strength and resilience of the system is often appreciated by those who would like to end it. Recently, for example, a Russian economist, who had returned home after an extended visit to the United States, told a friend that the reason for his visit was to study the demise of private enterprise. When asked for his conclusion, he replied: "What a pleasant way to die!"

While I do not suggest that free enterprise is the cure-all to all problems facing our nation today, I do find it reassuring during this Bicentennial year to look back over its role in the development of our country, to point to its accomplishments and to look up to it for hope for the future.

Sincerely,

JAMES S. KEMPER, Jr.

President.

MAXWELL D. RUDGERS,  
Senior executive vice president.

## TRIBUTE TO GOVERNOR BROWNING

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. JONES of Tennessee. Mr. Speaker, I have just returned from my home State of Tennessee where I participated yesterday in a final tribute to a great man who led that State as its Governor for 6 years and who served the same congressional district I am now representing in this body for 12 years.

The man about whom I am speaking is former Gov. Gordon Browning who died in the Carroll County General Hospital in his hometown of Huntingdon, Tenn., on Sunday at the age of 86. I cannot describe the remorse and sorrow I felt when I learned of his death, because Governor Browning was more than just a former Governor to me. He was a close and dear friend in whose cabinet I served as Commissioner of Agriculture for the State of Tennessee.

Gordon Browning was a man that I knew to have a great deal of courage and dedication to good government. He was known in Tennessee as a Governor for the little man. He took great pains to see to it that State government was responsive to the needs of average people and demanded that those like myself who served on his staff and in his cabinet develop a like sense of dedication to the people who elected him to office.

We all share in the sorrow of his surviving wife, known affectionately by all who knew her well as Miss Ida. Gordon Browning was a great man, a great Governor, and a great American. All of his work was in keeping with the highest traditions of our democratic system. He will be missed by us all.

I also want to take this opportunity to commend a man dedicated to public service and especially dedicated to Governor Browning. He is Lt. Jerry Kemp of the Tennessee Highway Patrol who was con-

stantly at the service of Governor Browning throughout his long illness.

I would like to take this opportunity to enter into the Record this editorial that appeared in the Nashville Tennessean Tuesday in tribute to Governor Browning:

**Gov. BROWNING, FAITHFUL SERVANT,  
LOYAL FRIEND**

Former Gov. Gordon Browning, who died Sunday at age 86, spent his life in the service of this state, this region, and this nation.

He once said: "Politics is one of the greatest fields of public service if one goes into it with the idea of the service he can render. The satisfaction of performing that service is all there is in it for any honest man."

Perhaps most politicians would subscribe to this philosophy. But few come as near to living up to it as Mr. Browning did.

The former governor was not known for piling up wealth in his years of public service or for the fame he achieved outside the areas he served.

He was known as a vigorous fighter for his political objectives, as a stump orator without superior, and a fiercely loyal friend.

Mr. Browning, a native of Carroll County, served three terms as governor—one from 1937-39 and two from 1949-53. He served six terms in Congress from the Seventh District from 1923-35. He also served for a period as chancellor of the eighth division.

Governor Browning had an equally distinguished career in the military services, having been an officer in both world wars. In World War II he became a part of the Allied military government organization. He eventually was placed in charge of all civilian government administration in the U.S. occupation zone of Germany, a task for which he had been prepared by his previous term as governor of Tennessee and which propelled him into the race for his next two terms in that office.

Mr. Browning's service in the state governorship was marked by an up and down relationship with the late E. H. Crump, the noted political boss in Shelby County. Mr. Browning was elected to his first term with Mr. Crump's support but broke with the Shelby Countian after taking office. In his bid for re-election he was opposed by Mr. Crump and was defeated by the late Gov. Prentice Cooper.

In his next race for governor, in 1948, Mr. Browning was again opposed by Mr. Crump, who supported the incumbent, the late Gov. Jim McCord. Boosted by his recent military services and a growing impatience with bossism on the part of an electorate which had just made extreme sacrifices for liberty, he was an easy winner. In that campaign, Mr. Browning was joined by the late Sen. Estes Kefauver in delivering a mortal wound to the Crump machine.

Four years later Governor Browning was defeated in a bid for a third consecutive term by a masterful young political tactician, the late Gov. Frank Clement.

That campaign, in 1952, was one of the most famous of the old-fashioned oratorical slugging matches for which the state has long been noted. And, with the coming of television and its milder style of campaigning, it turned out to be the last notable one conducted from the stump.

Mr. Browning's personal political career ended with that campaign. But he left the state a solid body of accomplishment: a debt retirement system, a farm-to-market road system, and progressive steps in education.

He was also instrumental in furthering the construction of state buildings, although it was the lease-purchase of the Memorial Hotel from a group of his political friends

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which no doubt contributed to his defeat in 1952. The governor steadfastly defended the purchase as a good one for the state and refused to place the blame on his friends during the bitter debate of the campaign.

This was an example of the head-on manner in which he played the game of politics. Mr. Browning was not a drinking man. As far as anyone knows, he never took a drink of hard liquor in his life. But he liked his politics straight and 100 proof, and he never flinched from the sting.

His style is of the past and no doubt will remain buried there. However, when people get together to talk about the old-time politics of stump speeches, Fourth of July rallies and oratorical flourish, the booming voice of Gordon Browning will be fondly recalled.

## THE SECOND WAR BETWEEN THE STATES—PART VII

### HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 26, 1976*

Mr. HARRINGTON. Mr. Speaker, today I am inserting the seventh of an eight part series concerning regional economic development which appeared in the May 17, 1976 edition of *Business Week*. This segment discusses the problems that unions are facing as they attempt to organize workers in many growing industries of the South. Confronted with less membership and bargaining power in the declining industrialized areas of the North, unions are trying to make inroads in the South, but are often meeting resistance in a region that has a traditional nonunion bias.

The text of the seventh installment follows:

#### NO WELCOME MAT FOR UNIONS IN THE SUNBELT

The migration of industry to the South is an old, but now ominously increasing, threat to organized labor. Faced by shrinking memberships and an erosion of bargaining power in the North, unions are stepping up their pursuit of "runaway shops"—with only limited success. Southern culture remains inhospitable to unions, and the AFL-CIO's strategy for the near future will be to attempt breakthroughs in selected areas of Southern industry rather than mount a full-scale invasion.

The result will be growing numbers of union vs. management brushfires in the region and major confrontations in single industries, particularly textiles. A major target will be J. P. Stevens & Co., the nation's second largest textile manufacturer, which for years has fiercely resisted unionization by means often found to be illegal. An AFL-CIO-supported boycott will probably be launched against Stevens sometime after the merger next month of the Textile Workers Union (TWU) and the Amalgamated Clothing Workers.

Such a boycott would be the largest and most difficult ever attempted in the U.S. and it could well fail. The TWU and the ACW are making preparations now, and if it does succeed, the Stevens campaign could provide a base for the ACW-TWU to organize some 650,000 nonunion textile workers in the South. A major organizing effort in textiles will take years, and even if it results in a victory over Stevens—a company the AFL-

CIO regards as the symbol of "the South's antiunion conspiracy"—the rest of the region's nonunion industry still will not topple like dominoes.

The existence of state right-to-work laws throughout the South and Southwest, except in Louisiana, Kentucky, and New Mexico, deters organizing, as does a deep Southern cultural bias against unions. Not only have smaller companies by the hundreds escaped unions by moving South, but major companies in the rubber, autos, and electrical equipment industries, among others, also have been spotting plants outside the Northern强holds.

In the electrical industry, General Electric Co. and Westinghouse Electric Corp. are each less than 50% organized. Only 190,000 of 450,000 rubber and plastic workers belong to unions. Even the powerful United Auto Workers has failed to organize six Southern plants owned by General Motors Corp. For the unions that bargain on a national basis, this means a weakening of leverage. In addition, union chiefs with declining memberships have less clout with legislators.

In 1974 national unions claimed 1.7 million members in the eight Southeastern states, an increase of 6.7% over 1972. But nonfarm employment increased by 9.4% in the same period, and so union membership as a percentage of the work force declined, from 14.8% to 14%. North Carolina, where industrial jobs that offer low wages are mushrooming, ranked last among the 50 states in 1974, with only 6.9% of its work force unionized. In contrast, industry has been moving out of states with high rates of unionization: Michigan (38.4%), New York (38%), and Pennsylvania (37.5%).

Despite past setbacks, the more militant union leaders still dream of mounting a massive, unionwide organizing campaign in the South. But the AFL-CIO leadership is unlikely to issue marching orders for such a campaign in the near future, partly because President George Meany feels that organizing is the responsibility of individual unions. There are no Walter Reuther around to prod labor's hierarchy to launch an all-out drive.

In the 1960s, the AFL-CIO's Industrial Union Dept. poured \$13 million into such a drive but rounded up only 93,000 members. A similar effort by the old CIO in the late 1940s also ended up "something of a flop," as one of its leaders conceded. Says an official of one major union: "Everybody recognizes the need for a massive campaign. It will come eventually—but after Meany."

"The unions can succeed in the South only where management decides it wants them," says W. A. Wilson, executive director of Piedmont Associated Industries in North Carolina. But some unions are making gains. In fiscal 1975, unions won 757, or 45%, of 1,671 representation elections in the South, lower than the 48.2% national success rate. The International Brotherhood of Teamsters won about a quarter of these elections, and the United Steelworkers took in 30,968 Southern workers from 1970 through 1974.

In addition, there is much evidence that the threat of unionization has pulled up wage rates in the South. The Clothing Workers union, with 35,000 to 40,000 Southern members, has 100 organizers campaigning constantly in the South. "Even where we don't organize, we tend to improve conditions," says ACW Secretary-Treasurer Jacob Sheinkman. "But the workers still don't have industrial democracy."

At present, labor has three major bases in the South: the steel industry in Alabama, tobacco manufacturing in the Carolinas, and the trucking industry throughout the region. But even the major steel companies, which have a long history of accommodation with the USW, make the union fight "tooth and toenail," as one USW leader puts it, when

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they locate a satellite plant in the South. Rarely do companies voluntarily extend recognition to a union, and they are not well received in the South if they do.

When companies go south, they often hire labor relations consultants—"unionbusters," as the unions brand them—to advise them on how to keep unions out. Another popular tactic is to take a very hard line in bargaining if the union does get in. Typically, a company will reject demands for dues checkoff, arbitration of unresolved grievances, and a seniority system—the very core of a union's strength. "You can strike the company over these issues," says a Southern union official, "but the people just can't hold out long enough."

The USW, however, does have strong leverage in organizing Southern plants in the can manufacturing industry. Its can industry contracts specify that if the union is certified at a new plant, the workers receive the high wages and benefits in the national agreements. "When you can go to the workers and say, 'You will automatically get these benefits if you vote for the union,' the workers know that they won't have to strike to get a contract. That's the big fear that the companies play on in the South," says head organizer Elmer Chatak.

## CUSTOM AND ACCENTS

In addition to the political and economic barriers, unions must contend with a host of Southern cultural factors that frustrate organizers from the North. Rural people who are pouring into the South's new manufacturing work force value their independence and tend to distrust third parties, such as unions. And in a region where religion—particularly Protestant fundamentalism—is a major force in everyday life, the churches usually give implicit support for business. "People are used to a religion in which each individual has a personal relationship with the Almighty," says Tony Zivlovich, a Teamsters organizer in the South for 17 years. "Everybody feels you've got to do things for yourself."

Stephen I. Schlossberg, general counsel of the UAW and a native of Virginia, says another major problem has been "the reluctance of the unions to accept the South as part of the country." He continues: "They make fun of Southern customs and Southern accents."

Some unionists familiar with the South feel that prospects for unionization are changing for the better, partly because blacks are flooding into the industrial work force. In some respects, says the Teamsters' Zivlovich, there is more integration in the South than in the North. "Most workers in the South now have at least a few friends of the other race and will go to each other's houses," he says. "People realize they have to get together, and they're getting smarter economically. If the unions will get off their duffs, and if they will stop looking down on the South, great progress can be made."

## AIR POLLUTION AND THE LAW—NOT ALL POLLUTERS ARE ALIKE

## HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

## IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. BROWN of California. Mr. Speaker, many of our colleagues have been subjected to tremendous pressure, or a form of environmental blackmail, from major industrial polluters who are refusing to comply with air pollution regulations and threaten job loss if the law is enforced. I know that I have been very

outspoken about the need to resist these pressures. As a consequence many of my colleagues presume that my talk is cheap, and my district simply does not share the economic problems of the other Members.

I would like to lay this misconception to rest, and at the same time explain why I believe every Member of Congress can support strong, effective, and necessary environmental pollution controls. My district is in Riverside and San Bernardino Counties in southern California. The district has over 10 percent unemployment. It also has a serious air pollution problem. The major industry is steel. The Kaiser steel mill, at Fontana, is entirely within my district. This is the largest steel mill west of the Mississippi River. Yet this plant is not the major cause of the area's serious air pollution. The automobile is. Automobile-generated air pollution is a very serious problem despite the fact that California has much more stringent auto emission controls than the rest of the country. One reason Kaiser Steel is not the major cause of our local pollution, although it is a very major polluter, is because it has largely complied with State, local, and Federal air pollution control regulations.

Kaiser Steel is, if my information is correct, the cleanest steel mill in the United States. The company has not willingly invested millions of dollars in pollution control equipment, and like most industries, Kaiser Steel has attempted to delay enforcement actions. But, at the bottom line, when the air pollution laws were ordered enforced, Kaiser Steel complied. They did not threaten economic ruin, nor did they engage in environmental blackmail, as most eastern steel companies have. Furthermore, the local unions firmly support air pollution controls. For this, and for proving that steel mills can be cleaned up, Kaiser Steel deserved credit.

What does this mean to the rest of the country? First, it means that steel mills can be cleaner than they are now in States like Ohio, Indiana, and Pennsylvania. Second, it means that not all polluters are alike. Third, it means that threats of plant closures if pollution laws are enforced are phony. Finally, I do not believe these lessons apply exclusively to the steel industry, but can just as easily be applied to the electric utility industry and the automobile industry.

The Clean Air Act Amendments of 1976, H.R. 10498, contains many provisions which, if enacted into law, could help achieve the type of firm, air pollution controls that we have tried to enact in California. We need a good Federal law, if we expect to keep State laws strong, or we may see one State compete against another for a temporary economic advantage by lowering pollution standards to attract polluters from States with higher standards. The reason for this is simple. Air pollution controls cost money, but if the same controls are applied to the country, the economic costs to each plant should be the same, and no one would have an economic advantage.

H.R. 10498 would apply this national approach, and would add other provi-

sions as well. For example, the bill would give the Administrator of the EPA greater flexibility in applying civil penalties, and also allow, in certain circumstances, excess emission fees. These two provisions would serve to prevent one company from avoiding air pollution costs, and therefore making higher profits, at the expense of a company which did comply with pollution laws. And finally, H.R. 10498 would establish procedures to provide employee protection in the case of a company threatening job loss from environmental regulations.

Mr. Speaker, I hope that every member of this body takes the time to consider the implications of the Clean Air Act Amendments of 1976, and support those provisions which would continue necessary pollution controls, and improve the methods by which those controls are enforced. I believe, in all sincerity, that if Kaiser Steel can comply with strong air pollution controls, then other industries can do the same.

At this time, I wish to insert a paper, prepared by Kaiser Steel, on their pollution control efforts to date.

The paper follows:

## KAISER STEEL'S ENVIRONMENTAL CONTROL PROGRAM

*In Operation At Its Fontana, Calif., Steel Mill*

APRIL 1976.

(This paper has been prepared in response to many inquiries and requests for details on the progress and history of environmental controls at Kaiser Steel's Fontana steel mill. It presents background information on emission control efforts at the Fontana mill since 1942, and identifies the plant's remaining problem areas with tentative plans for future control programs.)

## INTRODUCTION

Kaiser Steel, the largest steel producer in the West, converts about 6 million tons of stone, ore and coal into 3 million tons of steel every year. At the Fontana mill, as in all processes in which raw materials are converted into useful products, wastes are generated. Kaiser Steel captures about 99 percent of the wastes and recycles most of them back into the steelmaking process. Those that still escape are called pollutants. The White Paper discusses in detail the pollutants at the Fontana mill, together with the measures taken and planned to control these wastes.

Kaiser Steel has maintained an air control research department at the Fontana mill since 1949 and currently has a full-time staff of 17 engineers, chemists and metallurgical engineers working on environmental pollution problems.

During the years since 1942, Kaiser Steel has spent approximately \$65 million in actual capital expenditures for environmental-quality control facilities—\$55 million at the Fontana mill alone. To capital costs must be added the continuing expense of maintaining and operating air control equipment—amounting to about \$4 million per year at Fontana.

## EARLY EFFORTS

Environmental control at the Fontana plant of Kaiser Steel dates back to 1942—one year before the plant started operation and 14 years before an air pollution control district was created in San Bernardino County.

In that period, devices to control air and water pollution were designed for the new plant using the best technology then available.

The Fontana location enabled the West Coast's first and only integrated steel mill to

take advantage of the growth potential of the Western steel market. But the location also had certain inherent disadvantages. The steel mill was built during World War II and the government insisted that the plant be constructed 50 miles inland for security reasons. Most steel mills are built next to large rivers or lakes to supply the large amounts of water necessary to produce steel. Two producing water wells at the Fontana location were reasons for choosing it as the mill site. The large amounts of water needed, coupled with the limited amount of water available to supply steelmaking and agricultural needs, prompted Kaiser Steel to build one of the nation's best industrial water recirculation and conservation plants.

A recirculation-recovery system was included in the facilities from the start. The steel plant used only 1,400 gallons of water per ton of steel produced—most of it reclaimed—at a time when the national average was 65,000 gallons of water per ton of steel.

Another geographical disadvantage at Fontana was the valleys' natural rim of mountains, forming a bowl that catches and holds gaseous waste emissions—both locally produced and those swept in from the Los Angeles and Orange County areas.

To combat this indigenous air quality problem, Kaiser Steel's engineers employed state of the art installations at the plant's emission points. The first such installations included gas-cleaning equipment for each blast furnace, extensive use of dust collectors throughout the plant, and selfsealing doors on the coke ovens.

Although it seems crude today, in the 1940s the dispersion of emissions into the upper atmosphere was considered an advanced method of disposal. The exhaust stacks at the Fontana mill were built much higher than required by normal operations, in accordance with this emission control theory. For example, were it not for the Civil Aeronautics Administration's height limitations, the 300-foot stacks on the sinter plant would have been built even higher.

When the steel plant was constructed, however, there were no means of controlling some steelmaking emissions such as smoke from open hearth furnaces using hot metal charges.

In 1949, the company established a four-man Fume Investigation Department to determine and further understand steelmaking emissions and to develop controls for the emission sources.

In the early years of the mill, the surrounding area was highly agricultural—primarily vineyards and citrus groves—and the Fontana mill's investigative team considered plant life as well as people.

When emissions from the plant were blamed for damaging local crops, the department began a long-term study of the effects of mill emissions on local agriculture. A large-scale sampling program covering 1600 square miles was followed by experimentation and analysis of the results by plant pathologists. The results of this study established that the damage was caused by ozone present in the photochemical smog generated largely by automobiles and not the steel plant. These results were later confirmed by a similar research study at the University of California at Riverside.

#### CONTINUING CONTROL EFFORTS

One of the Fume Investigation Department's first assignments was the plant's largest problem at the time: open hearth furnace emissions.

In 1952, the department's name was changed to the Air Control and Research Department. By that time, the seriousness of the nation's air pollution problem was being felt and other steel companies had formed air control groups.

By 1953, working with a manufacturer, the department developed an electrostatic precipi-

## EXTENSIONS OF REMARKS

itator which successfully controlled emissions from No. 3 open hearth on a test basis, capturing from 50 to 70 percent of the particulate matter. The electrostatic precipitator removes particulates from the furnace emissions through the use of electrically charged wires. After a redesign, a new unit was installed in 1954 which achieved greater than 95 percent efficiency and similar units were installed on the other open hearths through 1957.

Although small electrostatic precipitators were in use by industry at that time, Kaiser Steel was the first company to successfully control the iron oxide emissions generated by open hearth furnaces that used "hot metal" or molten pig iron.

These precipitators represented the results of seven years of research, experimentation, engineering and construction, at a cost of \$5.5 million. In that period all nine open hearths were controlled with the best available technology for that type of steelmaking operation.

In 1959, Kaiser Steel followed up its leadership in this area and built an electrostatic precipitator as a major part of its new oxygen steelmaking shop—at that time the world's largest air control device on an oxygen steelmaking plant.

In the decade of the 1950s alone, Kaiser Steel had spent \$13.2 million on air control installations at the mill, much of it for gas cleaning equipment for the blast furnaces and precipitators for the open hearths.

The mill upgraded its environmental installation through the 1960s as advances in control technology were developed within the industry.

Emission control devices were improved as needed on open hearths No. 1, 4 and 7, blast furnaces No. 2 and 3, the coke plant stacks and the hot scarfer. Among the new control equipment installed during the 1960s were baghouses for the sinter plant, the tin mill roll shop, and the limestone crusher, and a dust disposal slurry system at the foundry.

Principal control installations within the past five years included:

A \$2.6 million baghouse and associated equipment to provide better control for the sinter plant stack. In the sinter plant, basic raw materials (iron ore, limestone, coke) in small particle size are mixed in proper proportions for iron production. Particulates from various air control devices in the mill are also recycled through this plant. The result of this process is a coarse lump of material which is charged into the blast furnace with other raw materials to produce iron. The baghouse enabled Kaiser Steel to terminate a long-standing variance for this facility.

A scrap shear to reduce the amount of scrap cutting by torch;

Additional equipment to control charging and tapping emissions in the basic oxygen steel process;

Rehabilitation of coke oven Batteries A, B, and C.

These and other control installations cost Kaiser Steel a total of \$8.5 million in the four-year period from 1970 through 1973. During the same period, domestic earnings totalled \$16.1 million, a 5.2 percent return on investment.

#### WATER POLLUTION CONTROL

Almost all the plant's water, including sewage, is reclaimed, treated and put back into circulation by a series of water towers and clarifiers. The system circulates each gallon of water 40 times and the only substantial loss is through evaporation. By 1969, \$17.6 million had been invested in this process water recycling system. Recent industry figures indicate 20,790 gallons of makeup water are required to produce a ton of steel. Kaiser Steel's consumption now averages less than 1,100 gallons of makeup water per ton of steel produced.

The plant's water system has a capacity of 260,845 gallons per minute and requires less than three percent in makeup water. A small amount of waste water is discharged, through a contract agreement, into the Chino Basin Municipal Water District's non-reclaimable industrial outfall line which is mixed daily with 200 million gallons of Eastern Los Angeles County sewage in Los Angeles Sanitation District 21.

#### AIR CONTROL REGULATORY AGENCIES

In 1948, Los Angeles County was the first region to establish an Air Pollution Control District. San Bernardino County's Air Pollution Control District was formed in 1956. Neither of the control districts had jurisdiction over the major cause of photochemical smog—the automobile. They concentrated on compiling the strictest body of air control standards in the world, all focused on stationary industrial sources.

There are currently three parts to the regulatory organization of authority over Kaiser Steel's compliance efforts at the Fontana mill: the new four-county Southern California Air Pollution Control District (of which the San Bernardino County Air Pollution Control District is now part); the California State Air Resources Board and the U.S. Environmental Protection Agency.

In 1972, the San Bernardino County Board of Supervisors adopted a new standard for visible emissions which went into effect on January 1, 1975. This standard reduced the legal opacity limit of emissions from Ringelmann 2 to Ringelmann 1 which, in effect, means practically no visible emissions.

In 1973, the San Bernardino County Air Pollution Control District officially requested schedules for bringing into compliance those areas of the plant that currently did not meet the 1975 opacity standards. Compliance schedules for opacity reduction were submitted and approved by the San Bernardino County APCD Hearing Board under the variance procedure. Negotiations for acceptance of the schedules were begun with the Environmental Protection Agency (EPA).

Later in 1973, during several conferences with the Environmental Protection Agency, compliance schedules were developed for additional areas of concern, so that these now covered excess emissions from the coke oven stacks, charging, tapping and hot metal transfer operations in the basic oxygen steelmaking shop, and coke oven doors and standpipes, the collection efficiency of existing open hearth precipitators (to meet the new standard), and desulphurization of coke oven gases. The first two areas were already covered by the compliance schedules approved by the County APCD Hearing Board.

#### THE PROBLEM AREAS

Despite Kaiser Steel's total capital expenditures of \$55 million for environmental control since operations began at the Fontana mill, there are still emission problems to be overcome as control standards tighten. These standards, covering ever-smaller amounts of pollutants, have been tightening faster than the company's ability to comply. One indicator is that the Fontana mill received no air pollution violations or citations before 1966. Thereafter, citations received increased yearly, despite continual spending for pollution control equipment and operations.

Among the problem areas that remain to be solved are:

Coke Ovens: control of coke oven battery stacks; visible emissions from charging and pushing; and reduction of the sulphur content of coke oven gas.

Basic Oxygen Shop: better control of emissions from charging, tapping, and hot metal transfer operations.

Open Hearth Shop: reducing emissions to meet new 1976 opacity standards.

Scrap Metal Preparation: control of emissions from the scrap cutting (burning) operations.

## EXTENSIONS OF REMARKS

**Carbon Monoxide Emissions:** control of emissions from the sinter plant, coke oven stacks and basic oxygen steelmaking shop.

There are several obstacles to the solution of the major coke oven problems. As these ovens age, cracks in the walls develop which permit smoke to pass through and into the stacks. In 1974, an experimental afterburner was installed on "A" Battery stack at a cost of \$150,000, but the project failed to produce the desired results. The company is now engaged in another pilot project in cooperation with the Environmental Protection Agency and a manufacturer to install on the same stack a specially-developed "charged droplet scrubber."

Coke oven doors were another problem area. Although the doors of coke batteries A and B underwent a major improvement in 1971, all 180 of those doors have now been replaced under the above mentioned compliance schedule with doors of the newer F and G Batteries design.

Gas generated in the plant's coke ovens is used as fuel in various operations throughout the steel mill. Its sulphur content exceeds that allowed by the county standard governing the sulphur content of fuels. Desulphurization of coke oven gas at the Fontana mill will involve handling approximately 75 million cubic feet of gas per day.

Working under the compliance schedule approved by EPA and the County APCD Hearing Board, the plant's Environmental Quality Control Department has begun a research and development program to design a system for the desulphurization of the coke gas stream. At the same time, desulphurization developments by other steel companies are being closely watched to determine their applicability to Kaiser Steel. The current cost estimate for coke oven gas desulphurization is \$17 million.

The most visible basic oxygen steelmaking shop problems are the emissions through the top or sides of the high building housing the oxygen furnaces during charging and tapping or when hot metal is being poured from the hot metal transfer car to the charging ladle. The company currently is installing equipment to collect these emissions and direct them to a bag house cleaning device before release to the atmosphere. The cost of this installation is \$4.7 million.

It was first thought the solution to the open hearth problem was the installation of a ducting system to distribute "surge period" particulates among the existing precipitators at an estimated cost of \$3.5 million. However, it was subsequently found that such an installation would not perform adequately, and additional installations involving a huge "topping precipitator" would be required—costing \$17.5 million—just to collect a fractional degree of additional particulate matter. Now, instead of costly modifications to existing precipitators, open hearth operations will be replaced by a new oxygen steelmaking shop (see page 11).

Scrap cutting operations generate iron oxide emissions whenever heavy, hand-held torches waver off the cutting path onto cold metal. A large scrap shear was installed in 1973 at a cost of \$1.6 million which eliminated about a quarter of the problem. This year the company installed five automatic track-mounted torch cutting machines and a ball drop facility. These new installations now handle about half of the heavy scrap previously cut by hand-held torches, without creating emissions.

The percentage of carbon monoxide (CO) fumes which escape from Fontana sources, although minor compared with concentrations from automobiles, nevertheless violates the County standards covering stationary sources which went into effect January 1, 1975. The San Bernardino County Board of Supervisors recently required Kaiser Steel to submit CO control plans by December 31, 1977, but in recognition of the development

problems involved, gave the company a variance until December 31, 1980 to complete research and development, construction and achieve compliance.

The most frequent visible emission at the Fontana mill is white steam that rises as hot coke is quenched with water. Although the public often points to this steam as pollution, it is harmless water vapor.

1974 ENVIRONMENTAL PROTECTION AGENCY CONSENT ORDER

In July 1974, Kaiser Steel signed an administrative consent order with the Environmental Protection Agency which incorporated the compliance schedules referred to above. The consent order was the result of months of conferences among the company, EPA, the District, and the State Air Resources Board.

The agreement involved a total capital investment estimated at that time to be \$20 million. Subsequent research and engineering studies escalated the estimated cost of the program as the full scope of the problem became evident. Cost of the installation to reduce open hearth emissions alone increased from \$3.5 million to \$17.5 million.

Further engineering studies pushed the costs of compliance with the Environmental Protection Agency consent order to \$50 million—the equivalent of the total capital expenditures spent on environmental control from 1942 to 1974.

A PLAN FOR MODERNIZATION AND POLLUTION CONTROL

These capital costs were being contemplated to control emissions from an essentially outmoded steelmaking method. Consequently, a Kaiser Steel task force was formed in early 1975 to develop an alternative plan to include the installation of new, cleaner, and more efficient, steelmaking equipment. The modernization plan now proposed would replace most of the open hearth furnaces with two large basic oxygen vessels, equipped with the latest, most efficient emission controls.

The new oxygen shop, together with other new facilities and improvements, is expected to cost about \$200 million over the next three years, of which more than \$40 million would be expended for pollution controls.

Kaiser Steel estimates that these pollution control expenditures will make the following reductions in emissions as opposed to present steelmaking facilities:

Sulphur dioxide emissions will be reduced by two-thirds.

Oxides of nitrogen emissions will be reduced by two-thirds.

Carbon monoxide emissions will be reduced by one-third.

Particulate emissions will be reduced by one-third.

At its May, 1975 meeting, the Kaiser Steel Board of Directors agreed that the company should proceed with the detailed engineering related to the modernization of the Fontana steelmaking facilities. Directors also authorized management to seek financial commitments and to start discussions with the appropriate regulatory agencies aimed at obtaining their concurrence in the program and to obtain the necessary permits to enable the program to go forward.

Partially in connection with the steelmaking modernization program, Kaiser Steel expects to spend \$60 million on environmental control equipment over the next four years.

SUMMARY

Since 1942, Kaiser Steel has spent approximately \$65 million on installations to control environmental quality problems at its steel mill and mines. These installations have required annual maintenance costs totalling an additional \$23 million, or approximately 30 percent. Over the next four years, the company expects to spend an additional \$60 million for environmental controls.

May 26, 1976

## U.S.-SOVIET MILITARY POSTURE

## HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. SPENCE. Mr. Speaker, the status of our military posture, as compared to that of the Soviet Union, has been the subject of growing debate within Congress and the press, and among the American people. This is a healthy development which I welcome with great enthusiasm.

Unfortunately, however, the defense issue is a complicated one, filled with strange terms and concepts, and replete with statistics. Under the circumstances, it is difficult to find an analysis of relative military capabilities among the superpowers that has meaning for the nontechnical reader. It is equally difficult to obtain reasoned arguments on Communist attitudes toward nuclear war, since Americans tend to dismiss the entire subject as "unthinkable."

Recently, I had the opportunity to review a paper which sheds a great deal of light on both of these areas of concern. The presentation was made by Mr. O. C. Boileau to the Harvard/MIT Seminar on Technology and International Security in Boston on March 23 of this year, and I believe that it merits the careful attention of my colleagues.

As president of the Boeing Aerospace Co., which has pioneered in efforts to focus congressional and public attention upon the Soviet civil defense program, Mr. Boileau is especially well qualified to discuss this important aspect of Soviet intentions. The significant effect that this preparation should have on our conventional attitude that nuclear war is unsurvivable and unthinkable, cannot be overemphasized.

Mr. Speaker, the question of "how much is enough" in terms of defense capability is highly complex, and one to which no one has all of the answers. Nonetheless, the paper presented by Mr. Boileau is among the best of its type that I have seen. So that my colleagues can have the benefit of his perspective, I include excerpts of Mr. Boileau's paper, entitled "Nuclear War: A Soviet Option," in the RECORD at this point:

## U.S.-SOVIET MILITARY POSTURE

In 1920, Lenin wrote this:

"... the so-called cultured states of Western Europe and America are incapable of understanding either the present position of things or the real state of relative power... The capitalists of the whole world and their governments will shut their eyes to the kind of activities on our side... and will in this manner become not only deaf mutes but blind as well. They will open up credits for us, which will serve us for the purpose of supporting communist parties in their countries. They will supply us with the materials and technology which we need for our future victorious attacks upon our suppliers. In other words, they will work hard in order to prepare their own suicide."

In a recent interview, Alexander Solzhenitsyn seemed to agree. He said, "The West is on the verge of a collapse created by its own hands." He said he has noted a decline in both the strength and resolution of the West during the two years he's been out of Russia.

And he warned that the Soviet "economy is on such a war footing that, even if it were the unanimous opinion of all the members of the Politburo not to start a war, this would no longer be in their power." What Solzhenitsyn seems to be saying is that the degeneration is under way and that, off there in the wings, the military power is being prepared to apply the final push.

In assessing the relative strength of the two powers, the answer cannot necessarily be ascertained by comparing what each side has: the warheads in silos, the submarines and the bombers. What is most important is what each side can do with what it has. The true relative strength can be determined by postulating the situation likely to prevail at the end of a strategic counterforce exchange. The throw weight surviving after such an exchange is an appropriate total measure of the residual capability on both sides. What does each side have left, with which to dominate the situation after the exchange? Remember, too, that most of the targets remaining after a counterforce exchange would be soft targets—sitting ducks. Hence missile accuracy and other refinements in the original postures would no longer be of much significance.

I am going to ask you to suspend judgment, for the moment, on the likelihood of any strategic attack by the Soviet. I don't want us considering its rationality at this point. I want us simply to examine capability, based on the best estimates available to the United States at this time.

If the Soviets had attacked U.S. strategic forces at any time during the 1960s, and the United States had responded, the United States would have emerged from such an exchange with clear superiority. In other words, our remaining strategic forces would have been stronger than those which remained in the Soviet Union.

In 1964, however, the Soviets began playing catch-up. They began to close the gap. And by 1973, America's position of superior post-exchange strength had disappeared. At that point, the Soviets had acquired sufficient capability to attack U.S. strategic forces with the expectation that, even if the U.S. fired back, the exchange would end with the Soviets retaining the greater strength.

Since 1973, the Soviets have increased their margin of post-exchange superiority. In the years ahead, this edge will continue to expand. By the mid-1980s, the Soviets will have acquired a large margin of absolute superiority over the United States.

The data on which these cold-blooded estimates are based are calculated on total throw weight. But they employ throw weight as a dynamic index of capability. The "after" or post-exchange balance considers the number, size and accuracy of each side's remaining warheads, as well as the prospective survivability of those forces which would be left. It takes into account U.S. advantages, as well as those of the Soviets. What we have here, in short, is a perspective quite different from the one usually presented, which is a straight comparison of static throw weight.

There are those who argue that total force throw weight, even after a counterforce exchange, is not a valid index of capability. We have looked at every reasonable index—at equivalent warheads, number of warheads, counter-military potential, equivalent megatonnage, and total numbers of bombers and missiles. By every one of these, the Soviet will hold strategic superiority after a counterforce exchange.

Ever since the Soviet Union got its first nuclear weapon, the American policy has been to deter nuclear conflict rather than to attempt to win it. I'm sure most Americans believe that if the Soviet Union were insane enough to attack us, it would be annihilated by the U.S. retaliation. "Overkill" has be-

## EXTENSIONS OF REMARKS

come a buzz word. We're told that the U.S. has the capability to kill every man, woman and child in the Soviet many times over.

Actually, the U.S. has never had this kind of capability. We do have more than enough capability to kill the people in Russia's cities, provided they don't leave town. But the term "overkill" is nothing but mathematical fiddlefaddle; it has nothing to do with reality. After all, you could put the world's entire population in one piece of territory 19 miles in diameter, and kill them all with half a dozen bombs.

Whatever lethal capability the U.S. has, Russia has the same capability—with respect to you and me and the rest of us Americans. The result is what has come to be known, in heartwarming terms, as the doctrine of assured mutual destruction.

A while back Secretary of State Kissinger raised this rhetorical question: "What in the name of God is superiority? What could the Soviet Union do with it?" The Secretary went on to say that nuclear superiority is devoid of any operational meaning. If he is right, the estimates I was giving you a few minutes ago are meaningless. For assured destruction has rendered superiority useless.

But if this is so, why then is the Soviet investing so heavily not only in achieving nuclear superiority, but in increasing it?

Please remember that what is unthinkable to you and me may not necessarily appear that way to someone whose head is screwed on differently. In early 1945, when our GIs were pushing toward Germany, it surely must have been unthinkable to us that anyone would send millions of men, women and children into gas chambers. But, as it turned out, it wasn't unthinkable to Hitler.

Sure, I believe the Soviet leaders are a lot more rational than Hitler. Still, when we consider the prospect of nuclear war, I think we need to ask ourselves: How does it look when viewed through our adversary's eyes? When contemplated in terms of his philosophy, and his definition of morality?

We have a pretty good idea of what to expect, should deterrence fail. Last year Dr. Schlesinger, then Secretary of Defense, presented some data on this to the Senate Foreign Relations Committee. He said that a Soviet attack limited to U.S. strategic forces would produce fatalities on the order of five or six million. If the Soviet followed this with an attack on U.S. cities, a total of 96 million Americans would die. There was some controversy over his first figure, with some people contending that an attack on U.S. strategic forces would kill as many as 20 million.

Whatever the figure, it's unthinkable. To us.

It's conceivable, however, that the Soviet leaders might be able to accept a few million American casualties philosophically. But how many Russian casualties would they be willing to accept?

It seems to me there are two factors to consider here. One is the difference in the values placed on human life by them and by us. I remember that during World War II we used to send out destroyers and whole squadrons of planes to search for three guys bobbing somewhere in a liferaft. And in Viet Nam there were countless times when American teams went in, under heavy fire, to try to rescue a helicopter crew downed behind enemy lines.

The Russians have a history of working people to death in slave labor camps. In the great purge of the 1930s, they deliberately brought about the death of from 20 to 30 million of their own people in order to shore up Communist control of the nation. This was all done in a good cause, of course—a moral cause, from their point of view. That same basic cause exists today.

The second factor is more direct: What does the Soviet count as the cost of a nuclear

exchange, in Russian lives lost and Russian property destroyed?

One official Soviet estimate declares that, even if U.S. missiles strike their cities, they can hold their casualties to from five to eight per cent of their urban population. For Soviet demography, this works out to about ten million potential fatalities. That's only one-half to a third of the casualties the Russian leaders inflicted on their own people just to consolidate their internal political control.

Of course, this would still leave the question of the possible destruction of Soviet cities and Soviet industry. But the Russians have some estimates on this, too, and they differ dramatically from those of the U.S.

Behind these Russian calculations lies an intensive civil defense effort.

The permanent, full-time staff of the civil defense organization now numbers 72,000, and a major portion of them are military. The C.D. commanders of the 15 Soviet republics are major generals or lieutenant generals. Active-duty officers command the approximately 120 oblasts or third-level government centers. And in time of crisis, this permanent staff would be augmented by the Soviet's police force of half a million.

Civil defense preparation in Russia begins with urban planning. Like our urban planners, the Russians believe in lots of open space—but for different reasons. Their guidelines are aimed at the reduction of building density to improve the chances of survivability. The call for green belts and wide thoroughfares to serve as firebreaks and to permit the clearing of radiation-free passages after an attack.

U.S. calculations of Soviet fatalities, if we hit them all-out, are based on the assumption that Russian citizens will be in their cities at the time. This is not the Soviet plan. They intend to evacuate and disperse their population, prior to the onset of hostilities. This implies, of course, that the Soviet government will have a pretty good idea of when the hostilities are likely to begin.

They intend to provide an urban assembly area for each two to three thousand urban dwellers. These are permanently staffed. When an evacuation is ordered, a staffer will go to each residence or place of business and hand each individual an evacuation certificate—in triplicate. One copy goes to the police department, which is responsible for making sure the people move out at the appointed time. Another is to be returned to the assembly center for use in processing people out to the evacuation areas. Vehicle convoys and, in some cases, trains will be provided. Some of the able-bodied will be formed into marching brigades.

The evacuation areas are located on collective farms. The farmer's responsibilities are spelled out on planning sheets to be executed by every collective farmer. He's given the number, and even the names, of the people he's to receive. They already will have been assigned to work brigades. Some of these groups will go right to work building simple shelters, which are already designed. It takes about 11 hours to construct a shelter which will hold ten people, and it will have a blast resistance of 30 to 50 pounds per square inch and a radiation protection factor of about 1,000.

The Soviet also has a multi-layered strategy to limit the damage to its industrial facilities. The first layer is pretty chilling—it calls for holding the U.S. population hostage to deter us from retaliating against Soviet industry. The second layer is to disperse its industry by building new plants in small and medium-sized towns. The third layer is to harden industrial equipment to protect it from nuclear effect. The final hedge is to hold in reserve enough military capability that the Soviet can move into neighboring states and take over their industry.

## EXTENSIONS OF REMARKS

U.S. estimates of the industrial damage our missiles could inflict are based on the amount of industrial roof space which would be destroyed. Interestingly enough, Soviet plans show little attempt to protect roof space. But within the buildings, they have worked out ways to protect machinery through the use of permanent protective structures, enclosures, hoods and housings, canopies and sandbags.

A few months ago Boeing conducted a study intended to estimate the effectiveness of these Soviet protective measures applied to a typical industrial area. This study assumed that a nuclear exchange between strategic forces already had taken place. The U.S. already has fired its heaviest shots at the Soviet's hardened missile sites, and all we have left are our smaller warheads like the Poseidon and Trident.

We used the Seattle-Tacoma area as our laboratory for this study. We worked out the application of these Soviet protective measures to its industrial plants, large and small, and then we calculated the damage that would be done by these smaller warheads. The results showed that a lot of roofs would be blown off, but more than 50 per cent of the industrial equipment in primary target areas would survive.

According to our government's estimates, the Soviets are spending about one billion dollars a year on civil defense.

## WELFARE REFORM ENDORSED

**HON. ROBERT J. CORNELL**

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. CORNELL. Mr. Speaker, I am today reintroducing my Tax Credits and Allowances Act for the fifth time. I am pleased to welcome Representatives MENDEL DAVIS, MELVIN PRICE, and HENRY REUSS to my list of cosponsors. This makes a total of 30 Members of Congress who share my view that comprehensive welfare reform is needed and must be undertaken now.

As my colleagues know, recently seven noted economists wrote to the President to urge the immediate and fundamental reform of the entire welfare system. The recommendations of William J. Baumol of Princeton University, Robert J. Lampman of the University of Wisconsin, Joseph Pechman of the Brookings Institution, Albert Rees of Princeton University, Herbert Stein of the University of Virginia, James Tobin of Yale University, and Harold W. Watts of the University of Wisconsin closely follow the intent of my legislation, H.R. 6430. The main points they made in their letter are these:

First, we urge the consolidation of such existing transfer programs as Aid to Families with Dependent Children, Supplemental Security Income, and Food Stamps into a single federally financed cash system. Such a system should provide a floor income for every American.

Second, we recommend the equal treatment of intact and divided families in order to end the current system's tendency to divide family units.

Third, it is important to incorporate a simple schedule of benefit reduction as income rises, with a 'zero-point' of no benefits and no income taxation. Such a schedule should preserve incentives to work and give equitable levels of assistance to the working poor.

Fourth, consideration should be given to

vesting the responsibility for income maintenance in some agency other than HEW. For example, the IRS might be an appropriate agency.

The suggestions of the seven economists also parallel the recommendations made by four Governors in early January. I am including the text of the telegram sent to the President by Governors Brenden T. Byrne of New Jersey, Hugh L. Carey of New York, Patrick J. Lucey of Wisconsin, and Milton J. Shapp of Pennsylvania at the end of my remarks as well as the letter to the President from the economists.

As I have stated in my previous comments on the House floor, I do not believe the Congress can delay the implementation of comprehensive welfare reform. Since the enactment of the Social Security Act, there has not been an effective revision of an overall national strategy for income maintenance. In the Congress now, there are 11 committees in the House who are charged with jurisdictions touching on welfare programs and 10 in the Senate. In addition, nine of the executive departments are involved with welfare-related programs. Therefore, we must act now to revise the defects in the existing system.

My legislation is designed to make work both profitable and necessary, thus ending the real work disincentives that exist in our current system. It seeks to build upon earnings and other private income, not to substitute for them. The bill abolishes the food stamp program and Aid to Families with Dependent Children, and in their place establishes direct cash grants. My program would be administered by the Internal Revenue Service. This Federal administration would provide economies of scale. One computer system could be developed instead of many. Several States do not use 20th century technology in running multibillion dollar programs. Computers can calculate benefits more rapidly and accurately than clerks and they can be programmed to perform automatic audits and crosschecks.

My bill, in conclusion, would eliminate many of the demeaning aspects of welfare, caseworker discretion, family instability, categorical eligibility, State benefit variations, and administrative redtape. I urge my colleagues to join in sponsoring the Tax Credits and Allowance Act which will bring about this critically needed reform.

TELEGRAM TO PRESIDENT GERALD R. FORD, THE WHITE HOUSE, WASHINGTON, D.C.

DEAR PRESIDENT FORD: The current patchwork of federal, state and local welfare programs is not working. It is time for a fundamental reordering of our approach to income maintenance. Mere tinkering with existing programs is not enough.

The harm done by the system has been well documented. It tolerates unacceptable variations between different parts of the country which cannot be explained by regional differences in the cost of living. It encourages family instability and disintegration. It does too little to help the working poor. It permits excessive levels of ineligibility and fraud. It is unworkable for the family in need and is fast becoming too costly for the taxpayer.

The welfare structure is also grossly inefficient. Its very complexity requires an army of bureaucrats to organize and run it. An efficient, equitable system can change the

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negative perception of income maintenance programs among the public and at the same time more effectively aid the needy.

The nation, and particularly, state and local governments, cannot indefinitely bear excessive rates of growth in this sector. A program which meets the tests of equity, efficiency and prudence may well require an initial additional investment by the federal government but it offers the prospect of achieving stabilization of welfare costs over the long term.

We propose a welfare program with the following characteristics:

—The consolidation of the existing food stamp, SSI and AFDC programs into a single federally financed cash system providing a floor to the income available to every family, with an appropriate federally funded cost of living escalator;

—The equal treatment of intact families and divided families;

—Preservation of incentives to work and a fair level of assistance to the working poor;

—A uniform and easily understood benefit reduction schedule, reaching a "zero-point" of no benefits and no income taxation;

—The retention of responsibility for social services such as those provided under Title XX at the state level. However, we recommend the elimination of the means test for services provided under this title to senior citizens. We also recommend a reasonable cost of living increase funded by the federal government for Title XX.

The program of change which we propose is neither simple in concept nor easy to implement. We anticipate the need for a well-planned period of phased transition. For example, consideration might be given to the transfer of administrative responsibility for income maintenance to an agency other than HEW, to eliminate the stigma traditionally associated with income maintenance programs and to improve fraud prevention. We are prepared to work with you and the Congress both to design the long-term revision of income maintenance and to improve systems of accountability for public funds during the transition.

We seek welfare reform to relieve the burden on our state and local budgets. However, we also seek reform to relieve the burden of fraud, red tape and affronts to dignity imposed by the current system on taxpayers and recipients alike.

We respectfully request a meeting with you to discuss our proposals for welfare reform.

BRENDAN T. BYRNE,

Governor of New Jersey.

HUGH L. CAREY,

Governor of New York.

PATRICK J. LUCEY,

Governor of Wisconsin.

MILTON J. SHAPP,

Governor of Pennsylvania.

PRINCETON UNIVERSITY,

Princeton, N.J., April 8, 1976.

President GERALD R. FORD

The White House

Washington, D.C.

DEAR MR. PRESIDENT: We noted with great interest your remarks concerning reform of the nation's welfare system in your State of the Union message. We write to tell you of our deep concern about this question and to urge your support for certain fundamental principles of welfare reform.

Several of us have disagreed with one another on major public issues in the past and are sure that we will do so again in the future. However, we all agree that it is time for a comprehensive change in our system of income maintenance. A recent telegram to you from several Governors put it well. They stated that the present "patchwork of federal, state and local welfare programs . . . tolerates unacceptable variations among different parts of the country . . . [and] encourages family instability and disintegration. It does too little to help the working poor. It

permits excessive levels of ineligibility and fraud. It is unworkable for the family in need and is fast becoming too costly for the taxpayer."

The Governors went on to say that "The welfare structure is also grossly inefficient. Its very complexity requires an army of bureaucrats to organize and run it. . . . The nation, and particularly state and local governments, cannot indefinitely bear excessive rates of growth in this sector. A program which meets the tests of equity, efficiency and prudence may well require an initial additional investment by the federal government but it offers the prospect of achieving stabilization of welfare costs over the long term."

Welfare reform directs federal outlays to those in need and puts a reliable floor under the incomes of the poor. Many other programs, current and proposed, are advocated as antipoverty measures but mainly benefit people who are not poor.

We do not have a detailed plan of reform to lay before you. However, we think that any specific reforms in the welfare system should embody certain basic principles. First, we urge the consolidation of such existing transfer programs as Aid to Families with Dependent Children, Supplemental Security Income, and Food Stamps into a single federally financed cash system. Such a system should provide a "floor" income for every American. Second, we recommend the equal treatment of intact and divided families in order to end the current system's tendency to divide family units. Third, it is important to incorporate a simple schedule of benefit reduction as income rises, with a "zero-point" of no benefits and no income taxation. Such a schedule should preserve incentives to work and give equitable levels of assistance to the working poor. Fourth, consideration should be given to vesting the responsibility for income maintenance in some agency other than HEW. For example, the IRS might be an appropriate agency.

Fundamental welfare reform has become imperative. This is an issue on which most Americans now seem to be in general agreement. We hope you and our nation's other leaders from both parties will turn this agreement into actual accomplishment.

We stand ready to assist in the design of specific measures to realize the changes we seek.

Sincerely yours,

WILLIAM J. BAUMOL,  
Princeton University.  
ROBERT J. LAMPMAN,  
University of Wisconsin.  
JOSEPH PECHMAN,  
The Brookings Institution.  
ALBERT REES,  
Princeton University.  
HERBERT STEIN,  
University of Virginia.  
JAMES TOWIN,  
Yale University.  
HAROLD W. WATTS,  
University of Wisconsin.

Organizations are listed for identification only. Signatures are on file at Princeton University.

#### OIL DRILLING PICTURE UNPLEASANT

#### HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. ARCHER. Mr. Speaker, the International Association of Geophysical Contractors has recently released some information which I feel should be of deep concern to all Members of Con-

#### EXTENSIONS OF REMARKS

gress. As the report indicates, the exploration and development picture for oil and gas reserves is not a pleasant one.

First. Seismic activity is down 16 percent—283 versus 238 crews operating—from what it was a year ago and has declined for 8 consecutive months.

Second. Total seismic activity is down almost 30 percent from the recent high in July 1974. That is how long domestic seismic exploration has been declining. It began just about the time the depletion allowance was eliminated.

Third. There are only 17 seismic boats operating in U.S. waters versus 38 in June 1974. That is certainly no indication that expanded development of this country's Outer Continental Shelf is beginning to take place.

The point, which far too few people realize, is that what happens in seismic work will determine what level of exploratory drilling follows. In its March 1976 issue, Fortune carried a story entitled "Why Big Oil is Putting the Brakes On," which contains the following statement:

Seismic exploration, an infallible harbinger of future drilling activity, has been declining steadily since August. The number of drilling rigs in use is already falling, and could drop by as much as 25% during 1976.

That is the story our industry is trying to tell. Seismic crew activity is the first step in the petroleum chain and, therefore, an important indicator of future exploration and production activity both on land and offshore. The significance is that until the necessary seismic work is done, exploratory drilling will not take place.

At the present time, many people consider the Hughes rig count the only barometer of future petroleum activity. I would suggest that the seismic crew count is an even better "early warning" of future activity, and that it is a much better barometer of future exploratory activity since the Hughes rig count does not distinguish between exploratory and development wells.

One final thought. It is a reality that when a seismic crew is laid off, there is a loss of key trained people who cannot be replaced. And there is an enormous expense of having to pay for idled equipment. A new, complete modern seismic land crew utilizes field equipment costing a minimum of \$300,000 and a maximum of \$1 million or more. No contractor can stand to have many of these crews idle for long. Further, if the day comes when exploration is expanded to the degree required to meet our country's needs, the equipment will not be readily available. During the upswing in activity in 1973, the waiting time for new equipment approached 1 year.

#### MISSING VOTES

#### HON. PIERRE S. (PETE) du PONT

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. du PONT. Mr. Speaker, yesterday afternoon I attended a meeting with the

Attorney General at the Department of Justice, and missed two recorded votes in the House. Had I been present, I would have voted "aye" on rollcall No. 302, and "aye" on rollcall No. 303.

#### AYNE KIMBERLY POPOVICH, AN OUTSTANDING YOUNG AMERICAN

#### HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. GAYDOS. Mr. Speaker, it is with a great deal of pride and pleasure that I call the attention of my colleagues to the achievements of an outstanding young lady from my 20th Congressional District of Pennsylvania.

Ayne Kimberly Popovich, 17, of Bethel Park Borough is one of 48 young Americans selected from a competitive field of 150,000 high school and college students to participate in the Bicentennial Youth Debates National Conference, scheduled to take place in Washington next week. During the week of June 1-4, Miss Popovich will be involved in discussions covering a wide range of topics: government, individual rights, the economy, foreign policy, and education. In addition, she, and the other 47 students, will observe Congress in session and attend some of our committee meetings to see firsthand how their Government works.

Consequently, I think if appropriate to acquaint my colleagues with the background of this remarkable and extremely talented young woman. Ayne ranks second in a class of 770 in Bethel Park Senior High School. She is a member of the National Honor Society, president of the International Thespian Troupe 427 and secretary-treasurer of the speech and debate team.

She also belongs to the Society of Distinguished American High School Students and is listed in Who's Who in American High School Students. Her ability in forensics is proven by the fact she holds a degree of distinction in the National Forensic League. And, last year she placed first in the district and fourth in State competition on "Persuasive Speaking" at the Pennsylvania High School Speech League's annual tournament.

In spite of all those activities, Ayne still finds time to indulge in her favorite hobbies: reading, camping, sewing, cooking, painting and growing plants. Many of these interests apparently are the results of her 9 years in the Girl Scouts of America, where she attained the rank of First Class Scout.

In view of her record to date, therefore, it is not surprising that this young woman of many talents already has her eyes turned to the future. Ayne plans to attend the University of Pittsburgh next year, the first step in her ultimate goal of earning her doctor of medicine degree.

She is a daughter of Mr. and Mrs. Paul S. Popovich. Her father is the assistant registrar at the University of Pittsburgh and her mother is a biology teacher in

## EXTENSIONS OF REMARKS

Bethel Park High School. She also has two younger sisters: Karen and Kristi.

Mr. Speaker, this remarkable young woman already has earned the respect of her classmates, her friends and her instructors. She has brought considerable recognition to the Bethel Park school system because of her ability. Those who know her are extremely proud of what she has accomplished and I am certain my colleagues in the Congress of the United States join me in extending to her our very best wishes for the future. Let us wish her success in her chosen field for she is, indeed, an outstanding example of young America.

## THE NAACP TO PAY TRIBUTE TO DR. H. CLAUDE HUDSON

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mrs. BURKE of California. Mr. Speaker, I direct my colleagues' attention to a singular event honoring a very distinguished and singular resident of Los Angeles, Dr. H. Claude Hudson. This Saturday, May 29, the NAACP will pay tribute to its president on the occasion of his 90th birthday. The event is indeed timely in that Dr. Hudson is one of the oldest members of the NAACP and has served that organization extensively since 1921.

For the information of my colleagues, H. Claude Hudson was born April 19, 1886 in Marksville, La. He was educated in schools in Louisiana and Texas and attended Wiley University in Marshall, Tex. Dr. Hudson graduated from the Howard University School of Dentistry in 1913 and set up a practice in Shreveport, La. Dentistry was practiced in the Shreveport area until 1923 when he moved to Los Angeles, Calif. His involvement with the NAACP developed during the early years of his practice and he was elected president of the Shreveport branch in 1921. Such involvement in the civil rights movement in those times was "tantamount to signing a death warrant."

Dr. Hudson has served the Los Angeles branch of the NAACP as president, vice president, or executive board member since 1934. For 10 years he served as president and he has been a member of the NAACP national board of directors since 1950.

Dr. Hudson's career combined dentistry and business with total dedication to his community and the betterment of life for his fellow man. A graduate of the Loyola School of Law, Dr. Hudson is one of the founders of Broadway Savings and Loan. Currently, he is president emeritus of the board of that institution having retired in 1972 after 23 years. Under his leadership, the association has grown to a major economic force in the Los Angeles area and is now capitalized at \$50 million.

Among his many awards are the Distinguished Alumnus Award from How-

ard University, the Distinguished Citizens Award from the County Conference on Community Relations, and Los Angeles County's highest honor, the Distinguished Service Medal. He is a long-standing trustee of Western Methodist Church, a member of the board of directors of Martin Luther King Hospital, and active daily walker covering 2 miles each day.

In honor of his many achievements and so many long years of dedicated service, I ask my colleagues to join me in wishing H. Claude Hudson a pleasurable birthday celebration and continued success in all his endeavors.

May 26, 1976

## Article III

A line shall be drawn, beginning at the mouth of a creek about four miles east of Niagara, called Oyonwayen, or Johnston's Landing-Place, upon the lake named by the Indians Oswego, and by us Ontario; from thence southerly in a direction always four miles east of the carrying-path, between Lake Erie and Ontario, to the mouth of Tehoseron or Buffaloe Creek on Lake Erie; thence south to the north boundary of the state of Pennsylvania; thence west to the end of the said north boundary; thence south along the west boundary of the said state, to the river Ohio; the said line from the mouth of the Oyonwayea to the Ohio, shall be the western boundary of the lands of the Six Nations, so that the Six Nations shall and do yield to the United States, all claims to the country west of the said boundary, and then they shall be secured in the peaceful possession of the lands they inhabit east and north of the same, reserving only six miles square round the fort of Oswego, to the United States, for the support of the same.

## Article IV

The Commissioners of the United States, in consideration of the present circumstances of the Six Nations, and in execution of the humane and liberal views of the United States upon the signing of the above articles, will order goods to be delivered to the said Six Nations for their use and comfort.

Oliver Wolcott, Richard Butler, Arthur Lee, Mohawks: Onogwendahonpi, his x mark, Touighnagon, his x mark.

Onondagas: Oheadarighton, his x mark, Kendarigdon, his x mark.

Senekas: Tayagonendagighti, his x mark, Tehonwaeaghriagagi, his x mark.

Oneidas: Otyadonengti, his x mark, Daga-heari, his x mark.

Cayuga: Oraghgoanendagen, his x mark.

Tuscaroras: Ononghsawenhi, his x mark, Tharondawagon, his x mark.

Seneca Abeal: Kayenthoghke, his x mark.

Witnesses: Sam Jo. Atlee, Wm. Maclay, Fras. Johnston, Pennsylvania Commissioners. Aaron Hill, Alexander Campbell, Saml. Kirkland, missionary, James Dean, Saml. Montgomery, Derick Lane, captain, John Mercer, Lieutenant, William Pennington, Lieutenant, Mahlon Hord, ensign, Hugh Peebles.

## TREATY WITH THE SIX NATIONS, 1789

Articles of a treaty made at Fort Harmar, the ninth day of January, in the year of our Lord one thousand seven hundred and eighty-nine, between Arthur St. Clair, esquire, governor of the territory of the United States of America, north-west of the river Ohio, and commissioner plenipotentiary of the said United States, for removing all causes of controversy, regulating trade, and settling boundaries, between the Indian nations in the northern department and the said United States, of the one part, and the sachems and warriors of the Six Nations, of the other part:

Art. 1 WHEREAS the United States, in congress assembled, did, by their commissioners, Oliver Wolcott, Richard Butler, and Arthur Lee, esquires, duly appointed for that purpose, at a treaty held with the said Six Nations, viz: with the Mohawks, Oneidas, Onondagas, Tuscaroras, Cayugas, and Senekas, at fort Stanwix, on the twenty-second day of October, one thousand seven hundred and eighty-four, give peace to the said nations, and receive them into their friendship and protection: And whereas the said nations have now agreed to and with the said Arthur St. Clair, to renew and confirm all the engagements and stipulations entered into at the beforementioned treaty at fort Stanwix: and whereas it was then and there agreed, between the United States of America and the said Six Nations, that a boundary line should be fixed between the lands of the said Six Nations and the territory of the

## Article I

Six hostages shall be immediately delivered to the commissioners by the said nations, to remain in possession of the United States, till all the prisoners, white and black, which were taken by the said Senecas, Mohawks, Onondagas and Cayugas, or by any of them, in the late war, from among the people of the United States, shall be delivered up.

## Article II

The Oneida and Tuscarora nations shall be secured in the possession of the lands on which they are settled.

said United States, which boundary line is as follows, viz: Beginning at the mouth of a creek, about four miles east of Niagara, called Ononwayea, or Johnston's Landing Place, upon the lake named by the Indians Oswego, and by us Ontario; from thence southerly, in a direction always four miles east of the carrying place, between lake Erie and lake Ontario, to the mouth of Tehoserton, or Buffalo creek, upon lake Erie; thence south, to the northern boundary of the state of Pennsylvania; thence west, to the end of the said north boundary; thence south, along the west boundary of the said state to the river Ohio. The said line, from the mouth of Ononwayea to the Ohio, shall be the western boundary of the lands of the Six Nations, so that the Six Nations shall and do yield to the United States, all claim to the country west of the said boundary; and then they shall be secured in the possession of the lands they inhabit east, north, and south of the same, reserving only six miles square, round the fort of Oswego, for the support of the same. The said Six Nations, except the Mohawks, none of whom have attended at this time, for and in consideration of the peace then granted to them, the presents they then received, as well as in consideration of a quantity of goods, to the value of three thousand dollars, now delivered to them by the said Arthur St. Clair, the receipt whereof they do hereby acknowledge, do hereby renew and confirm the said boundary line in the words beforementioned, to the end that it may be and remain as a division line between the lands of the said Six Nations and the territory of the United States, forever. And the undersigned Indians, as well in their own names as in the name of their respective tribes and nations, their heirs and descendants, for the considerations beforementioned, do release, quit claim, relinquish, and cede, to the United States of America, all the lands west of the said boundary or division line, and between the said line and the strait, from the mouth of Ononwayea and Buffalo Creek, for them, the said United States of America, to have and to hold the same, in true and absolute propriety, forever.

ART. 2. The United States of America confirm to the Six Nations, all lands which they inhabit, lying east and north of the beforementioned boundary line, and relinquish and quit claim to the same and every part thereof, excepting only six miles square round the Fort of Oswego, which six miles square round said fort is again reserved to the United States by these presents.

ART. 3. The Oneida and Tuscarora nations, are also again secured and confirmed in the possession of their respective lands.

ART. 4. The United States of America renew and confirm the peace and friendship entered into with the Six Nations, (except the Mohawks), at the treaty beforementioned, held at fort Stanwix, declaring the same to be perpetual. And if the Mohawks shall, within six months, declare their assent to the same, they shall be considered as included.

Done at Fort Harmar, on the Muskingum, the day and year first above written.

In witness whereof, the parties have hereunto, interchangeably, set their hands and seals.

Ar. St. Clair.

Cageaga, or Dogs Round the Fire.

Sawedowa, or The Blast.

Kiondushowa, or Swimming Fish.

Oncahy, or Dancing Feather.

Sohaeas, or Falling Mountain.

Otachsaka, or Broken Tomahawk, his x mark.

Tekahias, or Long Tree, his x mark.

Onecnsetee, or Loaded Man, his x mark.

Kiahtulaho, or Snake.

Aqueia, or Bandy Legs.

Kiandogewa, or Big Tree, his x mark.

Owenewa, or Thrown in the Water, his x mark.

## EXTENSIONS OF REMARKS

Gyantwaia, or Cornplanter, his x mark.  
Gyassota, or Big Cross, his x mark.  
Kannassee, or New Arrow.

Achitout, or Half Town.

Anachout, or The Wasp, his x mark.

Chishekhoa, or Wood Bug, his x mark.

Sessewa, or Big Bale of a Kettle.

Sciahowa, or Council Keeper.

Tewanias, or Broken Twig.

Sonachshowa, or Full Moon.

Cachunwasse, or Twenty Canoes.

Hickonquash, or Tearing Asunder.

In presence of—Jos. Harmar, Lieutenant-colonel commanding First U.S. Regiment and brigadier-general by brevet, Richard Butler, Jno. Gibson, Will. McCurday, captain, Ed. Denny, ensign First U.S. Regiment, A. Hartshorn, ensign, Robt. Thompson, ensign, First U.S. Regiment, Fran. Lelle, ensign, and Joseph Nicholas.

### TREATY WITH THE CREEKS, 1790

#### Separate article

Should a robbery or murder be committed by an Indian or Indians of the Six Nations, upon the citizens or subjects of the United States, or by the citizens or subjects of the United States, or any of them, upon any of the Indians of the said nations, the parties accused of the same shall be tried, and if found guilty, be punished according to the laws of the state, or of the territory of the United States, as the case may be, where the same was committed. And should any horses be stolen, either by the Indians of the said nations, from the citizens or subjects of the United States, or any of them, or by any of the said citizens or subjects from any of the said Indians, they may be reclaimed into whose possession soever they may have come; and, upon due proof, shall be restored, any sale in open market notwithstanding; and the persons convicted shall be punished with the utmost severity the laws will admit. And the said nations engage to deliver the persons that may be accused, of their nations, of either of the beforementioned crimes, at the nearest post of the United States, if the crime was committed within the territory of the United States; or to the civil authority of the state, if it shall have happened within any of the United States.

Ar. St. Clair.

### TREATY WITH THE SIX NATIONS, 1794

A Treaty between the United States of America, and the Tribes of Indians called the Six Nations.

The President of the United States having determined to hold a conference with the Six Nations of Indians, for the purpose of removing from their minds all causes of complaint, and establishing a firm and permanent friendship with them; and Timothy Pickering being appointed sole agent for that purpose; and the agent having met and conferred with the Sachems, Chiefs and Warriors of the Six Nations, in a general council: Now, in order to accomplish the good design of this conference, the parties have agreed on the following articles; which, when ratified by the President, with the advice and consent of the Senate of the United States, shall be binding on them and the Six Nations.

#### Article I

Peace and friendship are hereby firmly established, and shall be perpetual, between the United States and the Six Nations.

#### Article II

The United States acknowledge the lands reserved to the Oneida, Onondaga and Cayuga Nations, in their respective treaties with the state of New-York, and called their reservations, to be their property; and the United States will never claim the same, nor disturb them or either of the Six Nations, nor their Indian friends residing thereon and united with them, in the free use and enjoyment thereof: but the said reservations

shall remain theirs, until they choose to sell the same to the people of the United States, who have the right to purchase.

#### Article III

The land of the Seneca nation is bounded as follows: Beginning on Lake Ontario, at the north-west corner of the land they sold to Oliver Phelps, the line runs westerly along the lake, as far as O-yong-wong-yeh Creek, at Johnson's Landing-place, about four miles eastward from the fort of Niagara; then southerly up that creek to its main fork, then straight to the main fork of Stedman's creek, which empties into the river Niagara, above fort Schlosser, and then onward, from that fork, continuing the same straight course, to that river; (this line, from the mouth of O-yong-wong-yeh Creek to the river Niagara, above fort Schlosser, being the eastern boundary of a strip of land, extending from the same line to Niagara river, which the Seneca nation ceded to the King of Great-Britain, at a treaty held about thirty years ago, with Sir William Johnson; then the line runs along the river Niagara to Lake Erie; then along Lake Erie to the north-east corner of a triangular piece of land which the United States conveyed to the state of Pennsylvania, as by the President's patent, dated the third day of March, 1792; then due south to the northern boundary of that state; then due east to the south-west corner of the land sold by the Seneca nation to Oliver Phelps; and then north and north-easterly, along Phelps's line, to the place of beginning on Lake Ontario. Now, the United States acknowledge all the land within the aforementioned boundaries, to be the property of the Seneca nation; and the United States will never claim the same, nor disturb the Seneca nation, nor any of the Six Nations, or of their Indian friends residing thereon and united with them, in the free use and enjoyment thereof: but it shall remain theirs, until they choose to sell the same to the people of the United States, who have the right to purchase.

#### Article IV

The United States having thus described and acknowledged what lands belong to the Oneidas, Onondagas, Cayugas and Senekas, and engaged never to claim the same, nor to disturb them, or any of the Six Nations, or their Indian friends residing thereon and united with them, in the free use and enjoyment thereof: Now, the Six Nations, and each of them, hereby engage that they will never claim any other lands within the boundaries of the United States; nor ever disturb the people of the United States in the free use and enjoyment thereof.

#### Article V

The Seneca nation, all others of the Six Nations concurring, cede to the United States the right of making a wagon road from Fort Schlosser to Lake Erie, as far south as Buffalo Creek; and the people of the United States shall have the free and undisturbed use of this road, for the purposes of traveling and transportation. And the Six Nations, and each of them, will forever allow to the people of the United States, a free passage through their lands, and the free use of the harbors and rivers adjoining and within their respective tracts of land, for the passing and securing of vessels and boats, and liberty to land their cargoes where necessary for their safety.

#### Article VI

In consideration of the peace and friendship hereby established, and of the engagements entered into by the Six Nations; and because the United States desire, with humanity and kindness, to contribute to their comfortable support; and to render the peace and friendship hereby established, strong and perpetual; the United States now deliver to the Six Nations, and the Indians of the

## EXTENSIONS OF REMARKS

other nations residing among and united with them, a quantity of goods of the value of ten thousand dollars. And for the same considerations, and with a view to promote the future welfare of the Six Nations, and of their Indian friends aforesaid, the United States will add the sum of three thousand dollars to the one thousand five hundred dollars, heretofore allowed them by an article ratified by the President, on the twenty-third day of April, 1972,<sup>a</sup> making in the whole, four thousand five hundred dollars; which shall be expended yearly forever, in purchasing clothing, domestic animals, implements of husbandry, and other utensils suited to their circumstances, and in compensating useful artificers, who shall reside with or near them, and be employed for their benefit. The immediate application of the whole annual allowance now stipulated, to be made by the superintendent appointed by the President for the affairs of the Six Nations, and their Indian friends aforesaid.

## Article VII

Lest the firm peace and friendship now established should be interrupted by the misconduct of individuals, the United States and Six Nations agree, that for injuries done by individuals on either side, no private revenge or retaliation shall take place; but, instead thereof, complaint shall be made by the party injured, to the other: By the Six Nations or any of them, to the President of the United States, or the Superintendent by him appointed; and by the Superintendent, or other persons appointed by the President, to the principal chiefs of the Six Nations, or of the nation to which the offender belongs: and such prudent measures shall then be pursued as shall be necessary to preserve our peace and friendship unbroken; until the legislature (or great council) of the United States shall make other equitable provision for the purpose.

NOTE. It is clearly understood by the parties to this treaty, that the annuity stipulated in the sixth article, is to be applied to the benefit of such of the Six Nations and of their Indian friends united with them as aforesaid, as do or shall reside within the boundaries of the United States: For the United States do not interfere with nations, tribes or families, of Indians elsewhere resident.

In witness whereof, the said Timothy Pickering, and the sachems and war chiefs of the said Six Nations, have hereto set their hands and seals.

Done at Konondagua, in the State of New York, the eleventh day of November, in the year one thousand seven hundred and ninety-four.

Timothy Pickering.

Onoyeahnee, his x mark.

Konneatorteeoh, his x mark, or Handsome Lake.

Tokenhyouhau, his x mark, alias Captain Key.

Oneshaujee, his x mark.

Hendrick Aupaumut.

David Neesonhuk, his x mark.

Kanatsoyh, alias Nicholas Kusik, Sohonteoquent, his x mark.

Ooduhtsait, his x mark.

Konoohqung, his x mark.

Tossongaulolus, his x mark.

John Skenendoa, his x mark.

Oneatorleecoh, his x mark.

Kussauwatau, his x mark.

Eycotemyootauook, his x mark.

Kohnaugong, his x mark, alias Jake Stroud.

Shagulesa, his x mark.

Teeiros, his x mark, alias Captain Prantup.

<sup>a</sup> It appears that this treaty was never ratified by the Senate. See American State Papers, Indian Affairs, vol. 1, p. 232. Also, post 1027.

May 26, 1976

Sooshaowau, his x mark.  
 Henry Young Brant, his x mark.  
 Sonhyoowauna, his x mark, or Big Sky.  
 Onaahhah, his x mark.  
 Hotoshahen, his x mark.  
 Kaukondanaiya, his x mark.  
 Nondiyauka, his x mark.  
 Kossishtowau, his x mark.  
 Oojaugenta, his x mark, or Fish Carrier.  
 Toheonggo, his x mark.  
 Ootaguasso, his x mark.  
 Joonondauwaonch, his x mark.  
 Kiyauhaonh, his x mark.  
 Octaujeatengh, his x mark, or Broken Axe.  
 Tauhoondos, his x mark, or Open the Way.  
 Twaukewasha, his x mark.  
 Sequidongque, his x mark, alias Little Beard.  
 Kodjeote, his x mark, or Half Town.  
 Kenjatautug, his x mark, or Stinking Fish.  
 Soonoquaquau, his x mark.  
 Twenniyana, his x mark.  
 Jishkaaga, his x mark, or Green Grasshopper, alias Little Billy.  
 Tuggehshotta, his x mark.  
 Tehongyagauna, his x mark.  
 Tehongyoowush, his x mark.  
 Konneyoowesot, his x mark.  
 Tloohquottakauna, his x mark, or Woods on Fire.  
 Taondaudeesh, his x mark.  
 Honayawus, his x mark, alias Farmer's Brother.  
 Soggooyawauthau, his x mark, alias Red Jacket.  
 Konyootlayco, his x mark.  
 Sauhtakaongyees, his x mark, or Two Skies of a length.  
 Gunnashattakau, his x mark.  
 Kaungyanehquee, his x mark.  
 Sooayoowau, his x mark.  
 Kaujeagaonh, his x mark, or Heap of Dogs.  
 Soonoohshooowau, his x mark.  
 Thaoowaualias, his x mark.  
 Soonongjoowau, his x mark.  
 Kiantwhauka, his x mark, alias Cornplanter.  
 Kaunehshonggoo, his x mark.  
 Witnesses: Israel Chapin, William Shepard, Jr., James Smedley, John Wickham, Augustus Porter, James K. Garnsey, William Ewing, Israel Chapin, Jr., Horatio Jones, Joseph Smith, Jasper Parish, Interpreters; and Henry Abeele.

## THE WAXMAN-MAGUIRE AMENDMENT AND THE CLEAN AIR ACT (II)

## HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. WAXMAN. Mr. Speaker, the case against an extended freeze of the current Federal standards for automobile emissions is, in my judgment, a compelling one. I am inserting in the Record today a memorandum prepared by my staff which reviews and analyzes the many issues involved in this controversy.

## MEMORANDUM

To: Henry  
 From: Bruce  
 Re: Waxman-Maguire Amendment on Automobile Emissions Standards  
 H.R. 10498, the Clean Air Act Amendments of 1976, provides for a three-year freeze of the current 49-state (Federal) automobile emissions standards. The Waxman-Maguire Amendment provides that the Nation adopt, in 1978, the current California standards, which are about a third more stringent than the Federal requirements, and are proven, available, and have been in use for two years.

There are a series of arguments for pressing forward with implementing the California standards in 1978 as a reasonable step toward meeting the full statutory standards in 1980. These arguments revolve around the central issues which have dominated the question of Federal regulation of automobile emissions since the passage of the 1970 Clean Air Act—technological feasibility, fuel economy, cost to consumers, and the protection of public health. A new, more limited controversy which emerged last year, that of sulfuric acid mist emissions from cars equipped with catalytic converters, has apparently been resolved—and in a manner which underlines the reasoning behind the Waxman-Maguire Amendment.

Following is a review of these issues.

## THE SULFURIC ACID PROBLEM

a. As of January, 1975, the full statutory standards were to become effective with model year 1977. Under opportunity provided by the Clean Air Act, the automobile manufacturers petitioned for a one year's delay, the maximum allowable. On March 5, 1975, Administrator Train granted the petitions, but for one reason only: the threat he felt was posed by emissions of sulfuric acid mists from cars equipped with catalytic converters. If it were not for this perceived threat, he said, the petition for delay would have been denied. Administrator Train found that the technology to meet the statutory standards was available, and that the fuel penalty would not be excessive. The additional cost to consumers was estimated at \$100-\$300 per car.

b. Since that decision, several developments have occurred which undercut the emphasis placed by Train on the sulfuric acid problem.

(1) the American Medical Association, after reviewing all the data EPA used in reaching its decision, found the results inconclusive, "neither refuting nor supporting the proposed delay from 1977 to 1978 . . ." (Clean Air Hearings, I:327).

(2) EPA later discovered that the sulfuric acid problem had been overstated by a factor of two (NYT 4/25/75). Some EPA studies have also indicated that non-catalyst equipped cars emit about as much sulfuric acid as catalyst-equipped cars.

(3) In testimony before the Health Subcommittee, EPA said of the sulfuric acid controversy that sulfates "might be a problem now or it might never be a problem." (Clean Air Hearings, I:116). Additionally, Train testified that he made his decision to grant the petition for a year's delay in a rush, saying, "I only effectively had about two days to deal with this." (Clean Air Hearings, I:109).

c. In its March decision, EPA announced that it intended to set a sulfate emission standard for 1979 model year vehicles. The National Academy of Sciences May 5, 1975, Conference Report, concurred in this proposal and stated that emissions standards should not be set aside because of the sulfuric acid problem:

"Emissions standards for HC and CO . . . for the 1978 and subsequent model year light duty vehicles should be maintained at the current statutory levels . . . These levels can be achieved while steps are taken to insure against excessive emissions of sulfuric acid and acid sulfates . . . All the above can, and should, be done in a manner that does not significantly increase ambient concentrations of sulfuric acid and acid sulfates. Accordingly . . . a sulfuric acid light-duty motor vehicle emissions standard for 1978 and subsequent years should be established." (NAS, Conference Report, 1, 2).

d. NAS also added that the statutory standards could be met with the three-way catalyst with no increase in sulfuric acid emissions compared with uncontrolled vehicles. NAS stated that the blending of low-sulfur with unleaded gasoline (which cata-

lyst-equipped cars must use) would also alleviate the problem. (NAS, CR, 16).

e. Freezing of the status quo for five years will continue the emissions of sulfuric acid mists from catalyst equipped cars (see Mr. Satterfield's question, Clean Air Hearings, I:103), and will do nothing to further decrease the emissions of the other pollutants (HC, CO, and NO<sub>x</sub>). As the Academy stated

"Relaxing the statutory HC, CO, and NO<sub>x</sub> standards in itself is unlikely to result in reduction of sulfuric acid emissions below levels from 1975 automobiles. (NAS, CR, 2-3).

f. In any event, the entire controversy appears to have been resolved. On April 13, 1976, EPA reported that, based on extensive tests conducted in conjunction with General Motors and others, the Agency had greatly overestimated the threat posed by sulfuric acid emissions, and that EPA no longer considers the problem urgent enough to warrant the establishment of a sulfuric acid emissions standard. EPA, in April 1976, had cited this very problem as its reason for delaying compliance with the full statutory standards from 1977 to 1978. By implication, therefore, this new evidence would seem to remove the rationale for any further EPA-supported freezes of the current standards.

#### 2. FUEL ECONOMY

a. The National Academy of Science concluded that meeting the statutory standards in 1978 "could, and should be achieved while improving fuel economy. A significant improvement can be achieved by changes that are independent of the level of emissions." (NAS, CR, 3).

b. There have been fuel penalties associated with emission standards, but these penalties have evaporated as the control technology has been mastered. For instance, HC and CO standards were tightened in 1975 models from the 1973-74 models, causing a shift in technology to the catalyst, which has resulted in much better fuel economy. As Administrator Train stated recently,

"The 1975 cars with the catalytic converter represent about a 14% improvement, approximately, in fuel efficiency over the 1974 cars. So the trend has been, even with emission controls, toward substantially improved fuel economy." (Washington Star, Sept. 9, 1975).

c. A December, 1974, EPA report also concluded,

"There is no inherent relationship between exhaust emission standards and fuel economy. Delaying or relaxing emission standards cannot guarantee that gains in fuel economy will be made....

"Achieving the 1977 or 1978 emission standards with fuel economy equal to or better than current (model year 1975) vehicles is possible." (EPA, Automobile Emission Control, December, 1974, 2-1).

d. In a recent interview, Train commented,

"Without the converter, there would probably be a fuel penalty. The weight of automobiles has been far more significant in terms of reducing fuel efficiency and fuel economy than emissions controls....

"The air conditioner... costs about twice what the emission controls do. And the fuel penalty from air conditioners tends to be at least as great as that from emission control. But the greatest cause of poor fuel economy is basically the weight of the automobiles." (Washington Star, Sept. 9, 1975).

e. Most of the fuel penalty controversy centers on the control of NO<sub>x</sub>. Most cars currently use a system called "exhaust gas recirculation" or EGR, in which the cooler exhaust gases are brought back into the engine and re-burned in order to obtain cleaner exhausts. Because the exhaust gases are cooler when they are returned to the engine for reburning, the combustion of

## EXTENSIONS OF REMARKS

these gases is not as complete or efficient, resulting in a fuel penalty of up to 10%, depending on car size.

The industry has adhered to EGR as its main strategy for controlling NO<sub>x</sub> emissions. The poor fuel results have led the industry to conclude and widely publicize the contention that if industry is forced to get the cars cleaner faster, the Nation will suffer an enormous fuel cost.

With EGR, there is no doubt that the fuel penalty will increase as the NO<sub>x</sub> standard is lowered from the current 3.1 grams/mi to the contemplated 2.0, 1.5, and 1.0 interim standards. At the .4 statutory NO<sub>x</sub> standard, EGR is completely infeasible.

There are other alternative and more promising technologies which are proven and available—technologies such as the dual catalyst which, at this time, almost meet the .4 NO<sub>x</sub> standard with no fuel penalty. Recent EPA-certified test data showed that the dual catalyst system met the statutory HC and CO standards, and practically achieved the NO<sub>x</sub> standard (.419 as opposed to .4 gms/mi) with better fuel economy than when the NO<sub>x</sub> standard was at 2.0. By eliminating the EGR system, the dual catalyst achieved 19.7 mpg (city) and 29.0 mpg (hwy) as opposed to 19.0 and 28.0, respectively, over a 50,000 mile test with a 1975 Vega. (see May 7 EPA letter to Goethel).

If the industry stays with EGR, the fuel penalties will continue. Such penalties could cause consumer backlash and an industry attitude of, "I told you so... tight NO<sub>x</sub> standards mean a waste of precious gasoline."

Additionally, NAS, EPA, the Sierra Club and other public interest groups have gathered evidence alleging that the automobile industry has stubbornly delayed development of alternative NO<sub>x</sub> control technologies, and has ignored promising developments such as the dual catalyst.

On this issue of NO<sub>x</sub> control, NAS commented,

"It is probably feasible with catalyst technology to achieve the statutory emission standard for NO<sub>x</sub> (.4 gms/ml) in 1978. There would be less uncertainty today if there had not been a slackening of effort toward this goal." (NAS, CR, 1).

In responding to industry criticism of this observation, NAS stated,

"There has been an apparent reluctance on the part of the manufacturers actually to assemble in a demonstration vehicle the component emission control technologies which the manufacturers have in hand. In this way they can maintain that the required technology 'has not been demonstrated,' an interpretation which EPA has consistently rejected."

NAS then went on to document industry's alleged obstruction of technology development in a half-dozen instances. (NAS Supplementary Statement to Conference Report, 6-8).

In any event, in order to be reasonable, the Waxman-Maguire Amendment provides that the Administrator could grant waivers of the statutory NO<sub>x</sub> standard if he found that (1) technology to meet the standard did not exist, or (2) implementation of the standard would cause an excessive fuel penalty. Given the present state of the art, this is a reasonable and balanced approach which seeks to ensure expeditious compliance with the NO<sub>x</sub> standard, but not at an unacceptable cost.

#### 3. TECHNOLOGICAL FEASIBILITY

a. EPA's suspension decision of March 5, 1975, found that attainment of the statutory HC and CO standards was feasible. Train stated,

"I thus find that catalyst technology exists and could be applied to meet the statutory HC and CO emission levels on a very large proportion of automobiles by 1977. Based on the foregoing factors alone (including

weighing the potential for a 5-10% fuel penalty) I would deny the suspension of the statutory emission standards." (Train, Suspension Decision, 8-9).

b. The National Academy of Science was similarly unequivocal in its conclusions:

"Emission standards for HC and CO... should be maintained at the current statutory levels. Attaining these levels by 1978 is both feasible and worthwhile." (NAS, CR, 1).

c. EPA has also concurred in another instance, by stating, "It is technically feasible to achieve any of the currently legislated emission standards." (EPA, December 1974 Report, 2-1).

d. Even though there is a determination and general consensus that the technology is feasible, there is an underlying policy question of mandating the implementation of certain standards by certain dates, and the ensuing problems the industry has faced in meeting these goals. A colloquy in the Subcommittee's deliberations on these matters reflected this.

Mr. ROGERS. The reason the Congress set specific goals is so they would at least be set and we would try to reach them, providing flexibility (e.g. waivers, year-by-year suspensions) in the event we couldn't. We were afraid of too much flexibility right at the beginning (in 1970).

"Mr. BROWNHILL. I think we've seen that; we've already had three suspensions since we set those goals.

"Mr. ROGERS. That is the problem. If we had not set the goals you would never have done anything. At least we have made an 83-percent gain (in reducing emissions from the pre-1970, uncontrolled levels)." (Clean Air Hearings, I:110).

#### 4. COST TO CONSUMER

a. The most responsible estimates place the cost per car for full compliance with the statutory standards between \$75-\$300 per vehicle depending on the car's size, weight, and engine characteristics.

b. Public opinion polls demonstrate that the public is willing to pay more for cleaner automobiles. An FEA survey showed the following responses to questions about automobiles:

Question 29. It is estimated that it will cost about \$250 per car in the next five years to further reduce air pollution caused by automobiles. Do you think it is better to permit present levels of air pollution from cars, or to charge \$250 per car to clean the air by another 10% (the reduction achieved by implementing the statutory standards)?

1. Allow present levels of air pollution from cars: 24%

2. Pay \$250 to lower 10%: 48%

3. Other: 6%

4. Don't know: 22%

Question 31. Would you be willing to pay \$50 more per year for automobile gasoline in order to cut down automobile air pollution?

1. Yes: 52%

2. No: 38%

3. Don't know: 10%

(Rep. Heinz, "The Public's Desire for Clean Air," Cong. Record, Nov. 4, 1975, E 5816-18).

c. NAS has also conducted a cost-benefit analysis of meeting the statutory standards. The Academy estimated the benefits (in terms of improved health, and the estimated value in reductions in damage to material and plant life caused by air pollution) to range from \$2.5 to \$10 billion per year, and estimated the costs to range from \$5 billion to \$8 billion annually. Although admittedly imprecise projections, the Academy nevertheless concluded:

"Weighing all of these estimates, and their uncertainties, we conclude that the benefits in monetary terms that could reasonably be expected to accrue from implementing the

## EXTENSIONS OF REMARKS

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Federal statutory emission control standards for automobiles are commensurate with the expected cost." (NAS, Air Quality and Automobile Emission Control, Report To Senate, Sept. 1974, 3).

## 5. THE HEALTH NEED FOR THE FULL STATUTORY STANDARDS

a. The National Academy has given the best possible estimate of the health threat posed by automobile emissions.

"It is suggested that automobile emissions may account for as much as one quarter of one percent of the total urban health hazard. For the whole US urban population, effects of this magnitude might represent as many as 4000 deaths and four million illness-restricted days per year." (NAS, Senate Report, 13).

b. The role of automobile emissions in the total health hazard varies considerably from one geographic area to another, depending on the amount of other pollutants present, notably sulfur oxides, which come primarily from stationary sources, in the ambient air.

c. The health burden falls unequally on different groups of people. Persons already susceptible to cardiac and respiratory diseases suffer disproportionately; younger people are also more adversely affected.

d. Significantly, although the ambient air quality standards were established to protect health and welfare, there are no known "threshold" levels of pollution—levels below which no adverse effects occur. NAS has found

"Evidence indicates that the amount of health damage varies with the upward and downward variations in the concentration of the pollutant, with no sharp lower limit . . . Thus, at any concentration, no matter how small, health effects may occur, the importance of which depends on the gravity of the effect." (NAS, Senate Report, 17-18).

e. Administrator Train, in his suspension decision, recognized the health value in meeting the statutory standards, even though he delayed them for a year.

"Attainment of the statutory emissions standards in the 1977 model year would provide the maximum protection of the public health from HC and CO emissions from those vehicles that is achievable with present technology." (Train, Suspension Decision, 8).

f. With respect to carbon monoxide, if the statutory standards are delayed, total CO pollution caused by automobiles will be, by 1985, double the amount called for by the 1970 Act, or half again as great as the amount of CO currently released into the air. In areas where automobiles are basically the only source of CO emissions—downtown streets, shopping centers, garages, stadiums—the Administration's proposed delay will cause CO to be nearly twice as bad as it would be if we proceeded with the statutory standards.

Carbon dioxide in the low exposure range of 3-5% carboxyhemoglobin concentrations (CO in the blood) causes decreased vigilance or drowsiness, impairs the exercise capacity of health individuals, and exacerbates symptoms in patients with cardiovascular disease. (NAS, Senate Report, 28).

g. Hydrocarbons. As with carbon monoxide, there would be similar increases in ambient hydrocarbon concentrations should the standards be delayed for five years. Should HR 10498 as written become law, there would be an additional 12 billion person-hours of exposure to oxidant levels in excess of the ambient standard that would occur in 30 urban areas of the country.

Exposure to oxidants causes reduced pulmonary function, eye irritation and, over a long period, a decrease in lung tissue elasticity. In summarizing the need for continued HC and CO controls, NAS has concluded,

"There is medical evidence that oxidants have no threshold in their adverse effect on

human health . . . In the case of CO . . . the addition of any CO above background (levels) represents an additional stress on persons with heart and artery disease . . . Thus continued reduction of CO and HC emissions from automobiles will make the ambient air cleaner and incremental benefits to health will result." (NAS, Supplementary Statement to Conference Report, 11).

h. Nitrogen Oxides. Up until now, EPA has relied almost exclusively on control of HC as a means to reduce ambient oxidant concentrations. Recent testimony and studies show, however, that stringent control of automobile NO<sub>x</sub> emissions will be necessary to attain the national primary standard (the health standard) for photochemical oxidants in 7-10 cities throughout the country. EPA has testified, "There is every reason to believe that in the future there will be a need to be a lower NO<sub>x</sub> standard." (Clean Air Hearings, I:128).

The stress on HC control, to the neglect of NO<sub>x</sub> (note that all proposed amendments to the statutory standards have provisions for a NO<sub>x</sub> waiver; also, the Senate Public Works Committee has made the .4 NO<sub>x</sub> standard a "research goal" in its recent markup), has created a situation in which NO<sub>x</sub> is being transported into suburban and rural areas, where atmospheric transformations are leading to violations of the standards in those areas (EPA, Control of Photochemical Oxidants, July, 1975, 29). NAS has also noted this phenomenon.

"There is a developing body of evidence that oxidant levels approaching, and sometimes exceeding, the Federal standard occur in some nonurban locations in the United States. The high rural levels of oxidant concentration may be related to the dispersion on a regional basis of man-produced precursor pollutants such as hydrocarbons and nitrogen oxides." (NAS, Senate Report, 9).

NO<sub>x</sub> is responsible for the brownish haze in smog-filled air. It is a strong oxidizing agent (what air does to metal as in rust). It injures cell membranes and connective tissue in the lungs. Current research has shown subtle tissue destruction begins after brief exposures at levels only slightly above the one-hour equivalent of the current NO<sub>x</sub> standard. NO<sub>x</sub> contributes to emphysema and asthma, and increases susceptibility to bacterial and viral infections. Most seriously, the latest evidence indicates that NO<sub>x</sub> emissions lead to the formation, in the atmosphere, of nitrosamines—one of the most potentially carcinogenic substances known. They cause respiratory, digestive, and urinary cancers, and leukemia.

## 6. OTHER CONSIDERATIONS

a. Air pollution control depends, of course, not only on automobile emission reductions, but limitations on other sources as well, especially stationary sources. In many areas of the country, even if all the cars and power plants were as clean as possible, air quality standards would still be exceeded. Consequently, EPA has developed other strategies—transportation controls (limitations on the use of cars by encouraging bus lanes, car pools, etc.) and indirect source controls (the siting of shopping centers, stadiums and other sources which attract cars). Automobiles are key to both these strategies, in that if cars remain dirtier longer, there are increasing pressures to resort to these more unpopular strategies in order to compensate. Additionally, EPA has been tempted to clamp down harder on stationary sources for the same reasons.

b. Accordingly, the following groups have urged that there be no delay in meeting the statutory standards: The National Governor's Conference, the National Leagues of Cities, National Association of Counties, State and Territorial Air Pollution Control Officers Association, and several others.

## CONCLUSION

In the absence of any compelling evidence to the contrary—based on the availability of technology, its cost, or the need to relax the standards, there is no reason for freezing the current Federal standards for three more years, much less freezing them and then moving to the current California standards in 1980.

## ARMENIAN INDEPENDENCE

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. DELANEY. Mr. Speaker, Armenia is a rugged country with cold winters and long, dry summers. Her hearty people have lived there for some 2,500 years.

Early in the 16th century, Armenia was overrun and held by the Ottoman Turks. Turkish authorities, never admitting the validity of Armenian claims for equality and justice under Turkish law, charged them with conspiracy and inaugurated an ever escalating campaign of persecution. As the world entered upon the tumultuous period of World War I, the Turks went so far as to plan a "permanent solution to their Armenian problem" and launched a plan to eliminate some 2,000,000 people through deportation, starvation, and wholesale massacres.

Several hundred thousand Armenians who succeeded in escaping the massacre of 1915 in Turkey found their way to the southern Caucasus, in the northeastern section of Armenia that had become part of imperial Russia. Inspired by Woodrow Wilson's 14 points and the clarion call of freedom and self-determination, they proclaimed Armenia's political independence of May 28, 1918. It is this anniversary we celebrate on Friday.

Armenian independence represented the culmination of a centuries old national dream. It was attained at a terrible cost and in the midst of appalling misery. Their independence stood not only for the will of the surviving Armenians to live as free men in a ravaged corner of their homeland, but was the legacy of 1 million martyred heroes.

During her 2½ years of existence, independent Armenia made notable progress. She established a democratic form of government, with a cabinet responsible to an elected legislative body. Modern schools and social institutions were founded. Refugees were housed and cared for. Then, in mid-November 1920, the Turks attacked. Armenian forces were overpowered, a large part of their country overrun. The now-Soviet bear watched the slaughter carefully from its Russian lair until the time was ripe to dictate a cease-fire. Turkish forces were forced to withdraw from large sections of the Armenian territory; the country was Sovietized. The demise of independent Armenia in December 1920 was carefully camouflaged by the creation of an Armenian Socialist Republic as one of the constituent republics of the U.S.S.R., but in reality yet another "captive na-

tion" had been forcibly federated into the imperialistic Soviet Empire.

Mr. Speaker, those of us who have lived among Armenian-Americans as friends and neighbors know full well why the native people of Armenia will never give up their fight for freedom. Armenian-Americans have been second to none in the forging of our Republic. They have been contributing to this country's greatness since the earliest days of settlement. The name "Martin the Armenian" appeared in a ship's log at Jamestown back in 1618 and was mentioned in several other papers in Colonial Virginia in the same year. In December 1656, "George the Armenian" was awarded 4,000 pounds of tobacco by the Colonial Assembly in Williamsburg for his encouragement of the silk trade. And Armenians have distinguished themselves throughout our history—A. H. Bulbulian was coinventor of the high altitude oxygen mask, Thomas Corwin was a Congressman, Governor of Ohio, U.S. Treasury Secretary and Ambassador to Mexico Haig Shakerian was a brigadier general in the U.S. Army.

Mr. Speaker, it has been 58 years since the independent state of Armenia was proclaimed and 56 years since she died at the hands of the Russians and the Turks. It has been thousands of years since the Armenian civilization began to flourish in Anatolia. For the more than 200,000 Armenians in the United States and their brothers and sisters scattered throughout the world, the date May 26, 1918, stands as a symbol of what their motherland had once accomplished. I am sure she will accomplish it again.

#### FREEDOM AWARD

#### HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. MICHEL. Mr. Speaker, on April 30, 1976, the Order of Lafayette presented its Freedom Award to Frances G. Knight, Director of the U.S. Passport Office, for her "distinguished leadership in combatting communism."

This is a high tribute to a dedicated Federal employee whose stewardship in her present position has been commended repeatedly by Members of Congress, the public and the international travel industry.

In the past the Freedom Award has been presented to Presidents Hoover and Eisenhower, Generals MacArthur, Omar Bradley, Mark Clark, and A. C. Wedemeyer, Cardinal Spellman, and other distinguished Americans.

Miss Knight has been properly credited with bringing the U.S. Passport Office out of the horse and buggy age into the jet age. She has made it one of the most efficient, self-supporting public service operations in the Federal Government. She is presently developing a further modernization of her office: a new, more efficient and secure passport document, and a system of producing it

which will save the American taxpayer tens of millions of dollars.

I congratulate the Order of Lafayette in making this selection in our Bicentennial Year.

#### A DREAM THAT BLOSSOMED

#### HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. GILMAN. Mr. Speaker, permit me to bring to the attention of my colleagues, an American dream that blossomed.

Mr. Speaker, I rise today to pay tribute to Rabbi Dov Greenbaum, the founder and dean of the Yeshiva of Spring Valley, N.Y. On June 13, the communities of Monsey and Spring Valley in Rockland County in the 26th Congressional District of New York, will dedicate a new educational and recreational structure—the fruition of the dreams and plans of Rabbi Greenbaum.

The new facility will enhance the work of this nationally renowned academy of learning which Rabbi Greenbaum founded in 1951.

The formation of this Yeshiva and its advancement is truly an American success story. Among its 1,500 graduates, there are many who have made their mark in their professions and businesses. It is appropriate that this new building is being dedicated during this, our Bicentennial Year—a time for paying homage to places of historical significance.

Spring Valley and Monsey have become known as outstanding educational, cultural centers. This is due primarily to a man who has helped transform a little-known school in a small hamlet into an institution and a community that has become famous in this country and abroad for its scholarly works.

More than 30 years ago, Rabbi Greenbaum chose this site as the home of his school. Before the founding of the Yeshiva, the Monsey-Spring Valley region was a sparsely populated resort community. Initially, there were only a few children, but the rabbi's determination, his education prowess, his indefatigable work turned the Spring Valley Yeshiva into one of the outstanding bicultural schools in the Nation. The school, with a current enrollment of over 600 students, has become a pace setter for institutions of its kind throughout the world. From throughout the United States, the Yeshiva has attracted significant numbers of young families who have chosen to relocate in the vicinity of the school. Rabbi Greenbaum's concern and activities extended into many areas of communal improvement and social development. He has earned widespread recognition and respect as an outstanding rabbi scholar, educator, and community leader.

Due to its success, the Spring Valley Yeshiva has found the need to expand and, on June 13, the school's newest structures will be dedicated. That special day has also been selected to honor both

Rabbi Greenbaum and his wife for their dedicated, spirited work on behalf of Jewish education, youth development, and their community.

The honoring of Rabbi and Mrs. Greenbaum in conjunction with the dedication of this new school facility is a fitting celebration in our American Bicentennial Year—they personify the blossoming of an American dream.

#### RUBIN MORRIS HANAN'S GRANDSON

#### HON. JOHN BUCHANAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. BUCHANAN. Mr. Speaker, Mr. Rubin Morris Hanan is the president of a very worthwhile organization located in Montgomery, Ala., the Alabama League of Aging Citizens, "the voice of Alabama's old people." Through this organization, Mr. Hanan performs a great service to the elderly, and to all of us, pointing up needs and problems of our senior citizens and seeking to work out solutions.

One of the delights of Mr. Hanan's life is his grandson, Rubin Hanan Lapidus, who lives in Birmingham, Ala., the city it is my privilege to represent in Congress. On May 29, young Rubin will have his Bar Mitzvah Day, certainly one of the high points of his life. Mr. Hanan has great hopes for his grandson and he expects great things of him. In fact, he believes the grandson is Presidential material.

Back on January 14, 1964, Mr. Hanan was invited by then-President Lyndon Johnson to attend a meeting of an advisory committee on poverty at the White House. Mr. Hanan and his group were waiting for the President in the cabinet room, and Mr. Hanan said he sat in the President's chair in that room just to get an idea of how his grandson, Rubin, would feel 40 years hence when he becomes President of the United States.

To Mr. Hanan's surprise, President Johnson walked in and found him sitting in his chair. Mr. Hanan was embarrassed and apologized to the President, telling him that his grandson Rubin would surely someday be a "great President" like he was.

President Johnson told Mr. Hanan, "My grandfather also predicted that I would be President."

Mr. Hanan has written a beautiful letter to his grandson on the occasion of his Bar Mitzvah Day, reminding him of his great heritage and exhorting him to become his brother's keeper as he walks life's pathways.

Mr. Speaker, I would like to share Mr. Hanan's letter to his grandson Rubin for the edification of my colleagues. Dated May 30, 1976, it reads as follows:

Master RUBIN, HANAN, LAPIDUS,  
3313 Marlboro Road,

Mt. Brook Birmingham, Ala.

DEAREST GRANDSON: You are on the very threshold of a thrilling milestone of your life, as on your Bar-Mitzvah Day, publicly

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you will chant the Day's portion of the Torah in the Sanctuary of the Temple Beth-El, and life wonders of your ancient and sacred tradition to soar beside the wings of life and to reach your destiny to the highest office in the land.

On this day you are dedicating yourself to a great heritage and a greater cause to the Torah, Ten Commandments, enduring forever to enlighten the heart, refresh the soul and give wisdom to the symbol, the symbol of Israel's gift to civilization—fixed as a seal of your eternal faith in God and humanity.

In your Magnificent House of Worship, you will put worldly cares aside and take comfort in the eternal truth of the great Eternal God. For it is in the House of God that your mind is wholly at peace, your soul finds serenity in the sacred words of the Holy Books. Your heart is healed with wisdom of the Prophets, the Kings, the ages, by immortal music as you will reverently chant in giving Thanksgiving to the Great Creator of Life.

It is a heritage that was won by the sweat, the blood and the martyrs of Israel who died with the Shema on their lips, proclaiming the unity of their God and the everlasting glory of His kingdom. Devotion to God; belief in the inherent dignity of man; faith in man's ability, through divine providence, to guide his own destiny—these are the strong ties that hold together our United States of America—the greatest brotherhood of Freedom in the history of mankind.

There you will read and chant the precepts of the sages, and timeless teaching of your forefathers that have survived the torments of the Spanish Inquisition, the Crusader's swords, the Pogroms, massacres, and the Nazi depravity triumphing over deserts of adversity to be preserved in your daily prayers and the ritual of your festivals.

Perhaps it is in the House of God that you will be more aware of the true significance of LOVE and understanding of your faith and your obligations to your parents, to your people, to your country and to God. Its altar has held the Jewish people together through the ages of persecution, slavery and oppression—forged into one people—a strong people—by the flame of our faith, by that flame I bequeath you a great legacy and responsibility.

Through the ages, men have believed that Heaven is upon some mountain top, or beyond the sky or at the farthest reaches of the stars. Though men have dispatched their minds to reach in far places, the longest journey cannot but bring one back to the simplest truth! That God is surely to be found within each human heart.

Yet, we have preserved through unimaginable anguish, even within the last decade. Yet, proudly and prayerfully, let the freedom people of all faiths and creeds continue their journey on the winding highways of destiny. The hope of mankind is written in the story of Exodus and the Constitution of the United States of America and their endless wandering since the dawn of history.

You must confirm your awareness that you are your Brother's Keeper and this nation will stand as a source of help and haven of hope for the homeless, the poor, the sick and the wanting.

Though you may wander long through your youth, or fly to far places, the grandeur and Majesty of our Creator, the sanctity of all His Creation, and the imperishable principles of love will be eternally preserved within the walls of your heart.

The power for good is illimitable if "the spirit of man that is in him, to the light of the vision wakes!" Not all the computers of buernetics can create that vision, or can any man-made thing, within the guidance of man.

That is your pledge and your purpose on this day of blessings—as you vow, bowing before the hands of the Almighty God and

striving to be worthy of His safekeeping and guidance. You will stand as a citadel of mankind's better self, proclaiming the people's unity—yesterday, today and forever with one God and will all men—stamped across the skyways of tomorrow.

You shall carve a new Credo upon the land of the free for those who come and go across the sea—land to land—continent to continent—world to world—universe to universe—into the farthest reaches of space beyond the veil of the future.

The flaming words of our prayers and quest will never fail. Your heroic strain and stamp, whose word no man will dare to doubt.

Just remember, "Justice and Equity are like the light and the air; God made them common to all. With compassion in your soul you will journey throughout life unafraid."

Restore the flame of your faith in humanity to bear your share of the burden of humanity and to carry forward among men the sacred work of God.

You will not walk ignoble ways,  
You dare not seek unworthy aims,  
You cannot do a deed that shames.

May you now and through all your years,  
Remain steadfast in your dedicated service  
To this people and this land, and Israel  
May you now and forever be prayer to us!

With God's blessings,

MEGUM AND PAPU HANAN.

## THE HELSINKI COVERUP

## HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. ROSENTHAL. Mr. Speaker, the Congress voted this month to create a Commission on Security and Cooperation in Europe. The Commission is to monitor Soviet compliance with the human rights provisions of the Helsinki accord.

The ramifications of our action have been swift. On May 12, a group of nine Soviet dissenters formed the Public Group to Promote the Fulfillment of the Helsinki accords in the U.S.S.R. The unit promised to notify foreign governments of human rights violations in the Soviet Union. The leader of the group is Yuri Orlov. Among its other members are Mikhail Bernstam, Aleksandr Ginsberg, Aleksandr Korchak, Vitaly Rubin, and Lyudmila Alekseyeva.

Three days after the monitoring unit was formed, several KGB agents plucked Mr. Orlov off a Moscow street and drove him away for interrogation. After warning Mr. Orlov of "the inadmissibility of his antilaw actions," the KGB released him. Mr. Orlov, already fired from his job as a physicist because of dissident activities, later told reporters that the police threatened to bring legal actions against the monitoring group.

The Kremlin has bitterly denounced Western efforts to monitor its violations of the Helsinki accord—such as the congressionally approved Commission—as interference in internal Soviet affairs. The official news agency Tass has acknowledged that KGB harassment of

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the group was intended "to cut short Orlov's provocative activity as well as to prevent the perpetration by Orlov and persons connected with him of actions punishable by law." The Kremlin may prosecute the dissidents for the serious criminal offense of "anti-Soviet activity."

Mr. Speaker, the U.S. Government has a responsibility to these Soviet citizens. Our creation of a Helsinki monitoring commission encouraged them in their efforts. Soviet repression, moreover, is no longer an internal affair. In the Helsinki accord, the U.S.S.R. pledged itself to "respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, for all without distinction as to race, sex, language, or religion." The United States signed the accord, granting the Soviet Union considerable concessions, in hopes that the Kremlin would fulfill its human rights pledges. The American Government can by right insist that the U.S.S.R. obey its international commitments—even when they involve allegedly "internal matters." Compliance with the Helsinki accord cannot be a one-way street.

Mr. Speaker, I commend Mr. Orlov and his fellow dissenters for their courageous devotion to freedom. I wish them success in their efforts to help us monitor the Helsinki accord. And I remind the Kremlin that so long as it violates international obligations and denies its citizens basic human rights, the Soviet Union cannot expect us to supply the technological and economic assistance which it seeks.

## SEVERE HOUSING PROBLEM

## HON. STEWART B. MCKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. MCKINNEY. Mr. Speaker, 2 years after the passage of the Housing and Community Development Act of 1974 Americans find that a severe housing problem still exists. In my opinion it is the failure of HUD to produce housing units under the section 8 which is primarily responsible for this situation. Section 8 new production starts were under 3,000 units as of April 15, 1976. And while Mrs. Hills optimistically states that she has a projected target of 400,000 units, there are current reservations of less than 93,000 units. Thus my belief that the reason for these minimal supplies of section 8 funds for purposes other than new construction or rehabilitation. For example HUD proposed to use a major portion of section 8 funds—\$154 million—for the refinancing of debts on FHA apartment projects. Thus, H.R. 12945, authorizes an additional \$790 million in contract authority is authorized for public housing and section 8 programs. However, 50 percent of these funds would be required to be used to assist newly constructed or substantially rehabilitated projects under the section 8 and public housing program.

In addition this bill requires that \$140 million must be made available for devel-

opment or acquisition of low income housing projects—other than section 8—to be owned by local housing authorities.

Of particular concern to me is the plight of the elderly and handicapped in their quest for decent shelter. Thus under the section 202 program, the Banking Committee has authorized \$3.3 billion to be used over the next 3 fiscal years. This increased amount will provide over 35,000 much needed housing per year for eligible aged and handicapped. I believe that this increased authorization from \$2.5 billion which the administration originally requested is needed to encourage continuity of interest and effort on the part of many organizations who submitted good project applications and have elderly or handicapped members in need of decent assisted housing.

While we must pay particular attention to guaranteeing that adequate shelter is available, it is just as important that we assure Americans that they will be able to purchase the dwelling. Thus H.R. 12945 extends to October 1, 1977, the section 235 homeownership program. Under this program the homeowners must contribute at least 20 percent of his income for housing payments and HUD will subsidize the remainder. Under this provision, over \$264 million in contract authority is available which could assist up to 250,000 homes.

The provisions of the Emergency Housing Act of 1975 have also been extended until October 1, 1977. This will enable eligible families to get a mortgage at below market rates and permit homeowners relief loans, for those individuals who are in a position and lose their houses due to this inability to pay their mortgages because of current economic circumstances.

I believe that a Federal program designed to reduce mortgage interest rates by 1 to 3 points can be, and has been, of important assistance to housing producers and consumers. Beyond that, we should recognize that any Federal assistance to local governments, whether it be in the form of general tax relief or specific aid for such land improvements as roads, sewers, and utilities will reduce the cost and price of housing.

I would urge expansion of the "tandem" program and implementation of a program of direct, low interest, Federal loans to State housing finance agencies—"rolled over" into low-rate mortgage loans—as a means of insuring the availability of below-market rate mortgage loans. I would also recommend a major expansion of Federal community development loans and grants to States and/or local communities. To the extent that State or local public authorities can assemble and/or develop land at relatively low cost, some element of the cost of housing production will be reduced.

Therefore, I support not only the community block grant amendments which allocate \$200 million of the existing community block grant authorization for fiscal year 1977, but also the supplemental community block grant program. This new provision permits the Secretary of HUD to authorize additional grants to any State, city, or county that has a rate of seasonally adjusted national unem-

ployment for the most recently ended calendar quarter which ended 3 months before the beginning of such calendar quarter exceeded 6 percent. This means that cities and counties experiencing high rates of unemployment and serious fiscal problems as a result of adverse economic conditions will be provided with extra funds which could possibly divert the fiscal collapse of our urban areas.

As ranking minority member of the Economic Stabilization Subcommittee of the House Banking, I am pleased that this countercyclical measure has been included in the Housing Act. I believe that the strides which we make in providing housing for all Americans greatly benefits this Nation, not simply because we are providing much needed shelter, but because these homes increase the tax bases of our communities, increase employment, and help to keep our cities safe and decent places to live in.

We must be sure that our housing policies pay close attention to the accelerating economic deterioration of the major cities of the Northeast and Midwest. This economic deterioration will, inevitably, have adverse effects on the quality of life, and on the quality and price of housing available in and around major Northern metropolitan areas. The Federal Government can and should slow that process of deterioration. Sophisticated use of Federal revenue sharing and of community development block grants, and national programs of income maintenance and health insurance—instead of State/local welfare and medicaid programs—can help local governments help themselves in improving their environments, reducing taxes, and extending services.

Therefore, Mr. Speaker, I urge my colleagues to support this Housing Authorization Act of 1976, as a means of providing the availability of decent housing which in turn will enhance the quality of life for all Americans.

#### NATIONAL FLOOD INSURANCE PROGRAM

#### HON. MILICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mrs. FENWICK. Mr. Speaker, I include the following letter:

CITY OF MINOT, N.D.  
May 10, 1976.

Hon. MILICENT FENWICK,  
1610 Longworth House Office Building,  
Washington, D.C.

DEAR CONGRESSWOMAN FENWICK: I am writing to you as a member of the House Committee on Banking, Currency, and Housing because I understand that we share a mutual interest and concern: Namely, the National Flood Insurance Program and its future.

As you may imagine, after a string of floods that have battered us for 5 of the past 8 years—after an absence of such disasters for about 65 years—we in Minot consider ourselves involuntary flood disaster experts. We know what such catastrophes mean in terms of danger to and disruption of lives and serious loss of property. Not surprisingly then,

ours was among the earliest communities to join the National Flood Insurance Program and we have since been repeatedly glad that we did so. For, while this program does not prevent floods, in the short run, it does, at least, make damage to property reimbursable and therefore less onerous, without the sometimes humiliating aspects of federal disaster relief. And hopefully in the future as the program's flood plain management provisions take hold, flood damage will be reduced as wise and responsible development and the use of flood plains replaces their unrestricted and sometimes unwise utilization.

From the recent stand that you took in your committee by attempting to prevent a weakening of this program, I believe that you share our views.

For whatever help and use it may be to you and the flood program, let me say that I feel I speak for all Minoters when I assert that, in the wake of our latest calamity, we are happy with and in full support of the National Flood Insurance Program as it now stands and we would be extremely unhappy about and in total objection to any attempts to water it down.

You may be sure that we will convey these views on to our own legislators.

Sincerely,

JOHN E. ARNOLD,  
City Manager.

#### AFL-CIO SPEAKS OUT ON FULL EMPLOYMENT

#### HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. HAWKINS. Mr. Speaker, it pleases me to call to the attention of the Members this statement on full employment issued by the AFL-CIO executive council. They express their full support for H.R. 50 and S. 50, and they refute several of the attacks levied against these two bills. The statement deals with planning, inflation, private versus public sector employment, and the need for coordination of many programs to achieve goals set in the legislation. The statement, released May 19, 1976, follows:

#### STATEMENT OF THE AFL-CIO EXECUTIVE COUNCIL ON FULL EMPLOYMENT

The Full Employment and Balanced Growth Act of 1976, H.R. 50 and S. 50, has the full support of the AFL-CIO. It meets the nine essential principles for full employment legislation endorsed by this Council at its February meeting.

It is reasonable, realistic and achievable legislation. We believe it can be enacted into law this year.

From the moment the revised Humphrey-Hawkins bill was introduced it has been viciously and falsely attacked by the President, congressional conservatives, some editorialists and others who have always opposed efforts to achieve general prosperity rather than more wealth for a chosen few.

The most common attacks and the facts are:

Attack No. 1—The bill sets up a "planned economy."

The Facts—The Humphrey-Hawkins bill calls for planning for economic growth—not for a planned economy. The bill does not authorize anything that is not already in law. Rather, it provides a procedure and process to coordinate existing governmental functions to achieve a goal of full employment.

## EXTENSIONS OF REMARKS

May 26, 1976

At present, the Administration plans fiscal and monetary policies that create unemployment. The Humphrey-Hawkins bill would require the government to plan for full employment.

Attack No. 2—Full employment is inflationary.

The Facts—Those who use this charge are those who told the American people that high unemployment would reduce inflation. They have been wrong for seven years and they are wrong now.

Every time that the economy has approached full employment in the past 25 years, inflation has been far more moderate than it is today.

As a matter of fact, unemployment was 3.4% and the inflation rate was only 4.2%, when the present economic policies were imposed. They caused double-digit inflation and double-digit unemployment.

This inflation does not fit the classic definition of too many dollars chasing too few goods. Instead, there is a tremendous amount of slack throughout the economy. Nearly 30 percent of this nation's industrial capacity lies idle, driving up unit costs that would be reduced through more efficient production.

There are procedures in the bill to curb inflation, which we doubt will ever become necessary. However, many actions that could be taken to encourage economic growth and increase employment are, of themselves, anti-inflationary. For example, lower interest rates to stimulate housing construction would also reduce the monthly payment cost for houses, thus reducing this inflationary cost item.

Attack No. 3—Full employment means a "government job for everybody."

The Facts—The Humphrey-Hawkins bill is primarily a private sector bill. First, jobs would come from the private sector because the economy would be healthier and the private sector could expand once more.

Second, if additional government stimulus to the private sector is needed, the bill provides for it. For example, a public works program would mean that private contractors would be put to work and they would purchase supplies from private companies, who, in turn, would deal with other private corporations.

Finally, if these efforts were not successful, then the government would become the "employer of last resort." But, again, these jobs would not be primarily federal government jobs. Rather, they would be, for the most part, jobs with states and localities, providing essential services to citizens. Special programs would be encouraged for minorities and youth, traditionally the hardest hit by unemployment.

Attack No. 4—The Humphrey-Hawkins bill would require a monolithic government program.

The Facts—The Humphrey-Hawkins bill sets a goal. Then the President, the Congress and the Federal Reserve are required to develop fiscal and monetary policies and specific programs to achieve that goal. No single program is mandated because achieving the goal of full employment will require intelligent planning and the cooperation of the government, industry and labor.

The goal of full employment is one that all segments of society should agree on, because everyone will benefit. There should be full public debate and discussion about the goal and methods for achieving it, but phony attacks and heated campaign speechmaking are not conducive to rational decision-making.

We call on both the House and the Senate to bring H.R. 50 and S. 50 to the floor for a vote as soon as possible, so that America can set its goals for the next 100 years on the foundation of full employment, full production and a balanced economy.

## EXTENDING THE DELIMITING DATE

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. DOWNEY of New York. Mr. Speaker, recently I testified before the Subcommittee on Education and Training of the Veterans' Affairs Committee. My testimony follows:

## STATEMENT OF THE HONORABLE THOMAS J. DOWNEY

Mr. Chairman and Members of the Subcommittee:

I appreciate this opportunity to appear before you today and to present the case for extending the delimiting date for veterans educational benefits. Also, I speak for many of our colleagues when I commend the Subcommittee for scheduling these three days of hearings. Once we conclude our discussion later today, I hope we are able to translate words into action before May 31 so that thousands of veterans and their families will be spared further disruptions in their lives and career plans.

The question before this Subcommittee is whether or not we are going to allow thousands of veterans to complete their educations under the GI bill. I think we should not only allow them this course, but we should also encourage it. The benefits this country has received from the three GI bills since World War II should not be measured in dollars alone, yet standing alone the numbers are impressive. Since 1947 we have spent about \$33.6 billion to train approximately 15.8 million individuals in a variety of disciplines and skills. The return on this massive national investment has been from 3 to 6 dollars for every one dollar spent on veterans education. We stand only to gain by continuing that investment.

Current law provides that education benefits will expire on May 31, 1976 for all veterans who were discharged from the service before June 1, 1966. You have before you several bills, including one of mine, that would remove this time limitation entirely. Others would extend the limit for varying numbers of years, and even then with other requirements attached. I think our immediate and short-term response, given time and budget process considerations, should be to extend the delimiting date for one year. During that grace period, this Subcommittee should then consider more comprehensive legislation that would respond fully to veterans' educational needs.

An oft-stated argument against extending these benefits is that ten years should be long enough for anybody to set their affairs in order or to "readjust" to civilian life. The members of this Subcommittee will remember that originally under the current GI bill, only eight years were allotted in which to use the benefits. Two years ago the Congress agreed that veterans should be given additional time. I contend here, that sociological and economic factors have combined in our recent history to render even the 10 year limit unreasonable.

Consider, for one, the fact that until very recently the Selective Service exempted those young men who were able to pay the costs of a college education. As a result, the draft pool contained a disproportionately high number of individuals interested and able to attend college but without the means to do so. These are also the individuals who, upon leaving the service, were forced to take the first available job just to stay alive. Often these jobs were low-skill, dead-end, or even

temporary in nature. The responsibility was particularly acute if they had had dependents to support during their service period. Some acquired dependents after the service, further delaying education plans. Such veterans had no choice but to defer college until certain financial and familial responsibilities were settled first.

Also, and perhaps surprising to those of us deeply involved in veterans legislation, some veterans were unaware that they were eligible for benefits. It was not until 1972, well into the entitlement period, that the Veterans Administration began its outreach efforts informing veterans of what programs were available to them. A veteran who learned only then that he was eligible had extreme difficulty in completing college before time simply ran out. Most veterans in this category had to spread out classes over several years during summers, evenings or on a part-time basis.

We have to keep in mind that it was not until 1972 that many married and employed veterans found it economically feasible to attend college. In that year, benefits broke the \$200 per month barrier for a single veteran. A veteran with two dependents could expect nearly \$300 per month. These subsistence payments for the first time allowed the veteran with no resources other than his job the opportunity to utilize his benefits. But by then he very likely had only four years left. Two years later the country slipped into a recession from which it is only now emerging. The veterans who were struggling with tuition payments and a job from which they were trying to advance, suddenly found themselves without the job. They had no recourse but to suspend education for the time being—forced into using up their entitlement period.

There is ample evidence of these very compelling circumstances in my district in Suffolk County, New York. As of March, the unemployment rate was 8.8 per cent, down from 9.7 per cent at the beginning of the year. Of the 66,900 veterans in our two-county area, fully 11,000 were enrolled in a single educational institution pursuing degrees in business administration, science, and technology. Other schools in the area also have high veteran enrollments. As a result of New York City's financial crisis, hundreds of the city's firemen and policemen living on Long Island were laid off. Many of them are also veterans who are now trying to augment their skills to become more saleable in the labor market. They are being rudely awakened as they try to make use of their education benefits. Some who may have planned on obtaining only associate degrees to speed advancement with their employers, now find that a full four-year bachelor degree is necessary to find new employment. A jobless veteran with a family will find it difficult to pay tuition unless we help him. Others who had accumulated several college credits knowing full well that after this May they would lose benefits, did not also know that they would lose their jobs. It is one thing to pick up tuition costs after the government leaves off if a weekly paycheck is coming in. It is quite another if it is not. I do not want the task of calculating the years of night school and summer school wasted because there was no money to reach the degree at the end of the tunnel.

The general economic downturn has affected the construction industry on Long Island most dramatically. There are as many construction workers drawing unemployment benefits as there are in all other industries on the Island. The electricians, for example, have fewer than 40 percent of their membership working. One means of easing the situation, not of the industry in general, but of the individual in particular, is to provide him with advanced or other skills that our increasingly competitive job market

requires. Sustained unemployment levels in a particular industry such as aviation, also in my district, may persuade a veteran to start an entirely new career. He will need the GI bill to help him. I would rather pay an eligible veteran education benefits than unemployment compensation.

An extended delimiting date will help veterans in affected industries over the hump of technological unemployment. Some who did not take advantage of their benefits at first because they already had a skill or trade have now found their skills obsolete, or soon to be so. Additional training under the GI bill is necessary to keep them on the job.

It is extremely important, I think, to prevent our distaste for the Vietnam experience from adversely affecting our treatment of Vietnam veterans—particularly those who served in the earlier years of that war. These men were the first of our war veterans not to be the recipients of a universal respect and admiration from the American people. Employers did not welcome them back with open arms and job offers as in the aftermaths of World War II and the Korean War. The returning vet had to cope with a nation not wanting to be reminded of a war in which he had risked his life. Perhaps that is the reason unemployment among veterans who served between 1966 and 1972 is higher now than at the time of their separation from the service.

Surely the ramifications of the nature of the Vietnam War form a convincing argument for a longer "readjustment" period to civilian life. I think it is ironic that under current law a post-Korean War, non-combatant veteran has up to 21 years of eligibility, while most veterans who fought in Vietnam have less than half that time. It is also interesting that of all the war veterans, those who served in Vietnam have tried to make the most of their GI bill benefits. Fully 58 per cent of all Viet-vets have participated in the program as compared with 43.3 per cent of Korean War veterans, and 50.5 per cent of all World War II veterans. Their obvious willingness to work and desire for self improvement should not be denied now.

Let us not forget that Vietnam veteran in our rush to forget Vietnam.

Mr. Chairman, I contend that while it has been argued that educational assistance was not intended to be a continuing benefit, the consequences of having served in the armed forces *do* continue, whether we like it or not. Especially if that service was in wartime.

I recognize also, Mr. Chairman, that a simple one-year extension of the delimiting date is not enough. I think the best response is to eliminate the time limits altogether. The GI bill also has to stop giving preference to four-year academic institutions, so that vets interested in vocational or technical training will be better able to attend two-year programs. My accelerated payments bill, for example, would answer that problem. But the first thing we have to do is act before the end of this month.

Otherwise, veterans across the country will be picking up the pieces of their shattered dreams on the first of next month.

Every Member of Congress has received mail from veterans on this issue, and I have received my share. The letters are of all types—some consisting of only a few lines, and others tell a story of sacrifice and disappointment. I think it is much more persuasive to hear the case for extending the delimiting date from the veterans themselves. Accordingly, I include here four letters from my constituents that point out many of the aspects of the matter before us today. I have yet to hear an argument more convincing than is expressed in these letters:

APRIL 22, 1976.

To: Congressman THOMAS DOWNEY.  
From: James Lubrido, 175 Grand Blvd.,  
Brentwood, N.Y.  
Subject: H.R. 11924; lifts all restrictions of  
time on VA educational benefits.

DEAR SIR: There are two bills in Congress but I favor the above and I can assure you the majority of us veterans do. Please support this bill in every way possible you can, and stop the cut off which will be enacted May 31, 1976.

A veteran of ten years service in the Forces with an honorable discharge: May 22, 1966. It has always been my utmost desire to pursue my education in College. But being a family man and through a series of job changes and work shifts, I was unable to arrange my schedule in the allotted time limit.

However, I was finally fortunate enough to use my VA Benefits last February. Sir, I have waited so long for this opportunity and to me it is of utmost significance, and it is the turning point I've longed and waited for: I am very sure it is to all other Veterans too.

Please gather all your powers and help support this bill for the sake of Common Good. Enlighten the President of the United States not to veto this bill: H.R. 11924; which lifts all restrictions of time on VA educational benefits.

More Power to you sir, and have a nice day. From all of us veterans, I'm sure.

Very respectfully yours,

JAMES LUBRIDO.

BAY SHORE, N.Y.

March 22, 1976.

CONGRESSMAN DOWNEY: I enclose my support for extension for GI Bill No. 4678 for Korean vet education. A couple of years ago, back in 1957 when I got out of the naval reserve, I was never told about VA benefits, unfortunately for me last year, 1975, was the first I applied for such benefits. It is a shame that I still have 38 1/4 months benefits still due, but cannot collect due to expiration of the GI bill in June 1976. I fully support this bill, because it gives me the opportunity to expand my education, also it has assisted me to the point where I did not have to file for bankruptcy. Should the GI bill not be extended, I shall be forced to file for bankruptcy because of the economic conditions I lost my part time job, but found out about the GI bill which at that time saved me from bankruptcy.

God bless you.

JOHN MATHYS.

NORTH BABYLON, N.Y.

April 30, 1976.

Hon. THOMAS J. DOWNEY,  
Longworth Building,  
Washington, D.C.

DEAR SIR: As a constituent of yours I am writing you at this time to urge you to support legislation what will extend V.A. education benefits for those veterans discharged between Jan. 31, 1955 and June 1966.

I have been attending night college and collecting V.A. education benefits for the past year-and-a-half. With the present economic crunch and trying to raise three children, pay a mortgage and meet other financial obligations I would find it impossible to continue my education without V.A. education benefits. I would be forced to seek part time employment to help support my family rather than continue my education.

Please answer this letter and let me know your opinion on the possibility of extending V.A. education benefits mentioned above.

Yours truly,

JOHN H. MCKEEVER.

LINDENHURST, N.Y.

March 7, 1976.

DEAR CONGRESSMAN DOWNEY: I am writing this letter to express my concern over the

apparent lack of interest being shown the veterans benefits bills pending in Congress. For many veterans their schooling benefits are coming to a halt as of June 1, 1976, which will put a large strain on their finances to finish their college educations. Many will have to face the realization of not continuing until financially able.

Also, it has come to my attention as I know it has come to yours that many laid off civil service employees and others out of work veterans are dependant on the government education checks for their college endeavors as income and have kept them from applying for welfare. In my own case, I am facing the possibility of early retirement at age 34 from the Transit Police Department due to medical reasons and have been going to college for the past 2 years in anticipation of this, so I would be able to continue working in a less physical profession to supply my family with the same living standard they have enjoyed in the past.

I feel that passage of the bills would be in the best interests of the veterans and the State and Federal government, in as much as it will keep them off public assistance and enable them to better themselves through education. Any influence you can assert on this subject would be gratefully appreciated personally and by a vast amount of fellow veterans. Thank you for your consideration.

Sincerely,

MR. JOSEPH SZEZA.

#### A FEW RANDOM OBSERVATIONS ON VOTERS AND PRIMARIES

#### HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

MR. HAMILTON. Mr. Speaker, "I don't think Government is fair to the average person."

"It does not make a dime's bit of difference which party or which candidate wins."

"Most of the people running the country today are a little crooked."

"Government is just not responsive to the interest of the common folk."

"The trouble with Government is that elected officials have lost control over the bureaucrats, and the bureaucrats are running things."

"Government is run for the big boys. It leaves the average American out in the cold."

These are a few of the comments I have heard about Government during recent trips to Indiana. Needless to say, a Congressman, of whatever political persuasion, does not hear these comments with any joy in his heart. It is apparent to me that people are not satisfied with the performance of Government and they want a Government that works better. Their lack of confidence in the Government may be the most fundamental issue of the 1976 campaign. Since all the polls indicate the alienation and cynicism of the average voter toward politics and Government, one question those of us in public office should focus on during this election year is: what kind of specific steps must be taken to assure that Government works better.

This has been an astonishing political year, probably the most fascinating one

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in decades. If I had been told a few months ago that the Democrats would produce a front runner for the Democratic nomination for President in May and before the Republicans did, I simply would not have believed it. Both the Republican and Democratic Presidential campaigns seemed to be heading into a rout at different points in the last several months, but now appear likely to remain unresolved for several more weeks. At the moment it appears as if Jimmy Carter has a formidable, though not necessarily unsurmountable, lead for the Democratic nomination, and President Ford is in a fight for his political life.

Even with the rhetoric in the Presidential campaign about the Panama Canal and world military superiority, my impression is that the voters this year are concerned chiefly about the domestic problem and not foreign policy questions. I would rank the problems voters are interested in this way: Inflation, unemployment, dissatisfaction with Government, and crime.

Unfortunately, a familiar characteristic of American elections is that a lot of people do not think it makes any difference who wins the Presidency in November. Both voters and nonvoters are expressing distrust and distaste with politics and politicians, but I note a big difference between them: The voter who says it does make a difference who wins the Presidency and the nonvoter says it makes hardly any difference at all.

Ask most Hoosiers what they want in an elected official and many of them will mention honesty and integrity first. Then they want officials who are responsive, that is, officials who are fair, open, concerned, and willing to listen. Many other Hoosiers stress effective leadership, but usually after the other two qualities.

I am disturbed with the number of people who feel they have worked hard, lived within the law, struggled to get ahead, but feel that they have not gotten any breaks and that those in power have flourished at their expense. These people have a sense of moral outrage, a feeling of betrayal. Many feel cheated out of the value of their money by inflation. Those persons without jobs think they have been given a raw deal, and those who pay their taxes feel they have to pay more than their fair share because many do not pay enough taxes.

The attitude of the voter toward Government continues to puzzle me. If you ask a Hoosier whether he prefers a smaller Federal Government his answer invariably is yes. There obviously is a strong feeling among voters that Government is too big, too expensive and too inefficient. But at the same time many voters have a long list of things they want the Government to do, in areas like health, education, and the environment. Most of the criticism centers on how Government is run, not whether the functions of Government are needed.

The voters are saying to those of us who are candidates to level with them, to be simple, honest, and straightforward. One friend of mine said:

I want candidates with no demagoguery, no platitudes, no clichés. All I want is a

candidate who will tell me how he is going to spend my money, how he is going to raise it, and how he is going to make government open, honest and efficient.

I believe people want to be assured about the future of their country. They are still proud of America, but too much has happened in recent years to shake their confidence. They want very much to be assured that their leaders are honest people genuinely trying to cope with the problems and that the system, although not without fault, works reasonably well.

## SWINE INFLUENZA STATEMENT

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. WAXMAN. Mr. Speaker, in response to President Ford's request that \$135 million be appropriated for a mass immunization program against the dread swine influenza which presumably looms large on the 1976-1977 horizon, Congress acted expeditiously on the necessary legislation. While I supported such action, I now urge my colleagues to maintain a watchful eye on the administration's implementation of the program.

Much has appeared in the past few weeks in various papers and scientific journals, including *Science* and the *New England Journal of Medicine*, which raises some skepticism about whether or not we should proceed to implement a mass immunization program against Swine Influenza-A/New Jersey this year. They argue that they have seen no compelling evidence to suggest with any assurance that there will, in fact, be an epidemic of swine influenza during the next flu season.

The first stages of the implementation of the program have already begun. The recently developed vaccine is being tested on volunteers. Within a short period of time, we shall know the proper dosage recommended for various age-groups, the elderly, those with respiratory diseases, children, and the general adult population. The clinical trials will also provide information and data on the nature and extent of adverse reactions. Presumably, we shall also learn the nature of contraindications. Thus far, we have been informed that persons who are allergic to eggs should not be vaccinated. Controversy centers on whether or not pregnant women, infants or children under the age of 5 to 16 should be vaccinated. These clinical trials, hopefully, will provide some answers. But, they will not answer the most important question raised by skeptics of the program—is it necessary?

A recent article in *Science* concludes with the following:

Health officials won't know until next fall or winter whether a large outbreak of swine flu actually occurs. If it does, they will look prescient. If not, the grumblings may be expected to rise, especially if those who have been vaccinated against swine flu come down with some other flu strain against which the vaccine provides no protection.

Philip Boffey in the article which fol-

lows explores the controversial questions which remain unanswered. These include: First, what is the probability that a swine flu epidemic will occur during the 1976-1977 season? Second, what do we know about the death of the recruit at Fort Dix? Third, can we assume that the recruit's death was due to a virulent strain of swine influenza? Fourth, how virulent is the swine strain isolated at Fort Dix? Fifth, have there been any additional cases of swine flu in other parts of the country? Sixth, what are the possible options for proceeding in light of the controversial aspects of the proposed mass immunization program?

Many of us who have supported anti-swine flu vaccine campaign have done so on the administration argument that it was better to be safe than sorry. This is not to say that we do not retain a continuing concern that this program should go forward as originally planned. It behoves us to keep informed, continue congressional oversight of the swine influenza program, particularly during its investigational/clinical trial state, and provide an ongoing forum for airing the controversial issues so that the administration and the public will be assured that we are acting in a responsible manner.

The article follows at this point:

[From *Science*, May 14, 1976]

## ANATOMY OF A DECISION: HOW THE NATION DECLARED WAR ON SWINE FLU

Late on the afternoon of 24 March, President Gerald R. Ford appeared before White House reporters to discuss "a subject of vast importance to all Americans"—the appearance of a new strain of flu. A month earlier, scientists had discovered that Army recruits at Fort Dix, New Jersey, were infected by "swine flu virus." One of them had died. The last time an outbreak of swine flu appeared in the United States was in 1918-19 when, the President told reporters, "a widespread and very deadly flu epidemic" killed 548,000 Americans of all ages. The 1918 epidemic was really a pandemic; in successive waves, swine flu swept around the world, leaving 20 million persons dead. It is said that the pandemic killed more individuals in a short period of time than any other catastrophe in history.

After consulting with his top health advisers and virologists from throughout the country, Ford was concerned about the "very real possibility" of a dangerous epidemic in the United States next fall and winter. To head off this threat, the President announced that he would ask Congress to appropriate \$135 million right away to buy enough vaccine to inoculate "every man, woman, and child in the United States."

This would be the largest immunization campaign ever launched in this country, far more ambitious even than the polio immunization drives of the 1960's. Then, about 100 million Americans received polio vaccine during a period of a year and a half. Ford was launching a campaign to vaccinate twice as many citizens in a matter of months. Officials said that all his health advisers thought it was the right thing to do. Ford even had Jonas Salk and Albert Sabin, heroes of the successful polio campaign, by his side to lend their prestige and support.

Sabin acknowledged that the decision to vaccinate America was based on anything but absolute certainty. He said that nobody was sure there really would be an epidemic next fall or that the swine flu virus of 1976 is really as lethal as the one that was around in 1918. It was only a matter of days before others

began asking questions about the wisdom of the President's decision. What is clear now is that there are as many uncertainties as certainties about the "very real possibility" of an epidemic.

In an effort to dissect the process that led the President to declare war on swine flu, *Science* interviewed most of the major participants. Many of them supported the vaccine campaign on the grounds that there is little to lose, that it is better to be safe than sorry; but even conservative gamblers are betting that the odds there really will be a serious epidemic are less than 50:50. What is evident from an analysis of the decision-making process is that once the "stop-the-flu" bandwagon got rolling, it had too much momentum to be brought to a halt and it was easier for advisers, in and out of the government, to vote yes rather than no on the question of going ahead.

It was only after the President's surprise press conference that grumbling and second-guessing were heard. Then there were complaints that the Administration had overreacted and launched a massive campaign on flimsy evidence of hazard. People accused the Administration of using "scare tactics" to sell the program and predicted that it might be a wasted effort in any case because flu vaccines have been notoriously ineffective in preventing epidemics in the past.

Soon Washington was buzzing with rumors that the campaign was a political ploy to bolster Ford's chances for reelection during the flu season next fall, or that it was engineered by vaccine manufacturers who saw a chance to make enormous profits, or that the Army had somehow orchestrated the drive in the belief that a national campaign would divert attention from health problems at Ft. Dix.

In reality, the forces behind the campaign are probably far less Machiavellian. The decision was primarily triggered by David Sencer, director of the Center for Disease Control in Atlanta, after exhaustive consultation with other government health officials and scores of outside consultants, mostly serving on advisory committees to the Center for Disease Control, the Bureau of Biologics, or the National Institute of Allergy and Infectious Diseases. "We have not found anyone who would recommend any course of action other than the President is taking," David Mathews, Secretary of Health, Education, and Welfare, asserted in what later turned out to be an overstatement.

It is not generally recognized that most of the government's own health experts believe the odds are against an epidemic of swine flu occurring next fall or winter. Incredibly enough, one flu expert who participated in most of the key decisionmaking meetings and who supports the campaign told *Science* he believes there is only a 2-percent chance of a swine flu epidemic in the 1976-77 season, though he acknowledges that the number was just plucked out of the air and that he doesn't have great confidence in it. Other experts consulted by *Science* pegged the probability at 10 percent, 35 percent, and "less than even." Those probability estimates, though far lower than the official rhetoric of the campaign would lead one to expect, do not necessarily mean that the vaccination campaign is a foolish endeavor. But they do indicate that the decision to vaccinate was a very close and calculated gamble—a judgment with which reasonable men might disagree.

#### FORT DIX OUTBREAK MISDIAGNOSED

One of the ironies of the vaccination campaign is that the event that triggered it—the outbreak of swine flu at Ft. Dix—was almost missed by health officials. The man who inadvertently launched the chain of events that led to its discovery was Colonel Joseph Bartley, chief of preventive medicine at Ft. Dix, who noticed an increase in hospitalizations for acute respiratory disease at

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the base in January. But Bartley did not realize that he had flu on his hands. He assumed he was dealing with the adenoviruses, another infective agent of the respiratory tract that has typically been a problem at Ft. Dix shortly after soldiers report in after the Christmas holidays. Bartley's assumption was reinforced when an Army laboratory isolated adenovirus 21 in specimens taken from soldiers at the base.

As the hospitalizations mounted, Bartley called the county health officer to alert him that the presumed adenovirus outbreak might also affect civilian populations nearby. The county officer in turn alerted state health officials who became dubious that adenoviruses were the problem. According to Martin Goldfield, director of public health laboratories for New Jersey, the explosive spread of the infection at Ft. Dix (hundreds were hospitalized), the symptoms of the victims, the presence of influenza in other parts of south Jersey, and other factors all led him to suspect that Ft. Dix was actually suffering from an outbreak of flu. He therefore called Bartley and asked him to send over some throat washings from the victims and, sure enough, they contained flu virus. Of 19 specimens sent to the New Jersey laboratory on 29 January, 11 were found to have isolates of the A/Victoria strain of flu—the strain most prevalent in the country—while another 3 had isolates of an A strain of flu that could not be identified with the testing agents available at the state labs. These were sent to the federal Center for Disease Control in Atlanta, where they were characterized on 13 February as a form of swine flu virus.

Had this chain of events been initiated just 1 week later, Bartley speculates, the outbreak of swine flu would most likely have gone undetected. Indeed, when Army doctors took throat washings a week after collecting their first specimens, they found no swine flu. The new strain had disappeared while the A/Victoria strain remained dominant. Sending the washings to Goldfield's state laboratory rather than through Army channels may also have been a critical move. "The Army laboratories are not set up for influenza," Bartley observes. "They probably would have missed it."

The abrupt appearance and disappearance of the swine flu at Ft. Dix has provided ammunition for both sides in the debate over the vaccination campaign. Those who favor the campaign suggest that there may have been similar small outbreaks elsewhere that have gone undetected, that these outbreaks may be "seeding" the population with the swine virus, and that the virus may be on the verge of exploding into a pandemic.

Those who oppose the campaign suggest that such undetected outbreaks may have been occurring for years without leading to a pandemic. The unique thing about the Ft. Dix outbreak is that, for the first time, scientists have detected two radically different flu viruses circulating in the same population. But they are uncertain whether they are witnessing the first steps by which a new strain (the swine flu) begins to replace the prevalent strain (A/Victoria) or whether they are witnessing evidence that the swine flu lacks the ability to compete successfully against other flu strains. If the latter is true, there may be little to worry about.

Scientists also are uncertain about how virulent the swine strain really is. The virus has been stigmatized as a "killer" in part because of the analogy to the virus that helped slaughter so many millions in 1918-19, and in part because a recruit who died at Ft. Dix was found to have swine virus. But the health significance of that single death can be disputed. Bartley states that the recruit, who was seen in the dispensary and then assigned to his quarters for 48 hours, left his bed before then to join a forced march at night with the other recruits. He began to lag behind, took frequent

rests, and eventually collapsed, whereupon he was rushed to the hospital and died shortly thereafter. Bartley speculates that if the recruit had stayed in bed, he'd be alive today. He also suggests that if the recruit had suffered from the Victoria strain rather than swine flu, he might also have died on the forced march. State health official Goldfield also scoffs at the notion that swine flu is a proven killer. He notes that the Victoria strain killed a dozen people of varied ages in New Jersey without attracting the notoriety of the swine flu, which was implicated in only one death.

As for the analogy with the 1918-19 catastrophe, many experts believe that has been vastly overdrawn. They note that the 1918-19 pandemic was exacerbated by conditions peculiar to the time. Overcrowding in military camps and widespread troop movements provided ideal conditions for propagating the disease around the world, and there were no antibiotics available in those days to combat secondary infections, such as pneumonia. Moreover, while the swine virus at Ft. Dix is considered antigenically similar to the virus believed prevalent in 1918-19, it is not identical and may not be as virulent. Indeed, the swine flu patients at Ft. Dix had symptoms no worse than those of the Victoria strain victims—perhaps even somewhat milder. That does not mean the swine virus might not mutate and become more virulent, but there is nothing in its record so far to justify calling it a particularly severe "killer."

Although the specter of 1918 has been raised to rally political support for the program, most experts involved agree that the vaccination campaign is not premised on the fear of another 1918 catastrophe. Rather, it is based on the notion that the swine flu might be the next pandemic strain—following on the heels of the Asian flu of 1957 and the Hong Kong flu of 1968. These strains were damaging enough. The Hong Kong pandemic of 1968-69 afflicted more than 50 million Americans, was blamed for some 27,000 excess deaths, and cost an estimated \$3.9 billion in medical care, industrial absenteeism, and the future earnings of those who died.

Even before the swine virus had been isolated from the Ft. Dix specimens, the Center for Disease Control, which monitors virus outbreaks nationwide, realized that it had a new strain of flu on its hands, so it hurriedly called a meeting in Atlanta on 14 February. The situation was deemed urgent. Scientists had been predicting another flu pandemic for the late 1970's because previous pandemics had occurred at 10- to 12-year intervals. Some had even predicted that the next pandemic strain would be a swine virus, based on a theory that previous pandemic strains reappear in a cyclic fashion when the population they originally infected dies out and the bulk of the remaining population lacks antibodies to the flu virus in question. Few Americans under 50 have been exposed to swine flu virus.

Those who attended this first meeting included officials from the Army, New Jersey, and the three federal agencies most concerned, namely the Center for Disease Control, Bureau of Biologics, and National Institute of Allergy and Infectious Diseases. By the time of the meeting, the virus at Ft. Dix had been identified as a swine virus. All present agreed there should be a major effort to determine the extent of the outbreak at Ft. Dix and whether there had been similar outbreaks elsewhere.

#### THE HUNT FOR MORE CASES

The investigation at Ft. Dix, conducted largely by the Army itself, convinced most specialists that the outbreak had been fairly extensive, if short-lived. In the final tabulation, five cases were unequivocally identified as swine flu by virus isolation. Another eight

## EXTENSIONS OF REMARKS

cases were almost certainly identified as swine flu because the patients showed an increase in swine antibody levels in two successive blood tests. And a screening of single blood readings from a large sample of recruits found hundreds with high concentrations of antibody to swine flu (much higher than their civilian counterparts of similar age), most of these were concentrated in companies in which other cases of swine flu had been positively identified. Some purists contend that a single blood sample proves nothing because it cannot show that there has been an increase in antibody in response to the virus.

But most experts believe the totality of the evidence demonstrates that more than 500 individuals were infected at Ft. Dix and that the virus spread from human to human (because most of the recruits had no contact with swine and many had not been off the base in some time). Although there have been isolated civilian cases that might conceivably have involved human-to-human transfer, the Ft. Dix episode is the first well-documented evidence that the swine virus may possess the capability to spread through man.

The hunt for similar outbreaks elsewhere in the country turned up nothing definitive, however. There had been isolated cases of swine flu infection in Minnesota in 1974 and Wisconsin in 1975, and the new hunt found cases in Virginia, Mississippi, and Pennsylvania. But in most cases, people probably caught the virus from pigs, and there was nothing on the scale of the Ft. Dix outbreak.

That left public health officials in a quandary. Was the episode at Ft. Dix a freak occurrence? Or was it a forerunner of disaster? And complicating the picture was the fact that decisions had to be made quickly if there was to be enough time to manufacture, distribute, and administer a vaccine.

The nationwide hunt for cases was not even complete when the Bureau of Biologics hosted a workshop on 20 February to get government, industry, and university investigators preparing for a massive campaign if such a crash effort should be deemed necessary. A feeling of urgency gripped the session; 1 April was mentioned as the date by which a go or no-go decision would have to be made if industry was to have time to prepare the vaccine. Excitement—and visions of heroism—filled some minds. As Harry Meyer, director of the Bureau of Biologics, put it: "In the world I deal with every day, there are so many things you do that are not terribly interesting but which are called 'real chores.' To have a challenge of something that is a real public health interest is really stimulating."

By early March, with the flu season waning, it seemed clear that there would be little new data that could help in making a decision. Consequently the Center for Disease Control called a special meeting of its Advisory Committee on Immunization Practices on 10 March to consider the evidence and make recommendations. That group, which traditionally recommends the steps to be taken to immunize against flu, stopped short of recommending a mass vaccination campaign. It agreed that vaccine should be produced and that a *plan* for administering it should be developed, just in case, but it shied away from any statement as to whether the vaccine should actually be given to people.

The decision to go ahead was largely made by Sencer, the head of the Center for Disease Control. Immediately after the advisory committee meeting, his staff drew up an option paper from which Sencer and an aide, on 13 March, prepared an "action memo" that recommended an all-out immunization campaign. That memo said there was a "strong possibility" of a swine flu pandemic in 1976-77. It warned that the routine annual vac-

cination of the elderly and other high-risk groups would not halt such a pandemic, and that "a decision must be made now" if extraordinary measures were to be undertaken. After analyzing the pros and cons of various options, it recommended that the federal government buy some 200 million doses of vaccine and make them available at no cost through state health agencies. It recommended that the citizens be immunized "in three months time." The vaccine would be administered by public health doctors, private physicians, or any other appropriate source. Total federal costs were estimated at \$134 million.

It was only after this memo had been delivered to higher-ups in the Department of Health, Education, and Welfare that Sencer conducted a telephone poll of members of his advisory committee to see if they agreed with the recommendation. Sencer told *Science* that the majority seemed firmly in favor of going ahead and that none objected. But the presentation of a fait accompli may have muted some criticism. One member of the group—E. Russell Alexander, chairman of epidemiology at the University of Washington's School of Public Health—told *Science* he favors producing and distributing the vaccine but would hold off administering it until there is evidence of an outbreak of swine flu.

Sencer's recommendation was approved virtually intact as it shot upward through the bureaucracy—passing through the Assistant Secretary of Health, the Secretary of Health, Education, and Welfare, the White House Office of Management and Budget, the Domestic Council, and the President himself. The decision was elevated to the presidential level, according to a Domestic Council staffer, because it required a supplemental budget request and because the massive effort would clearly require strong federal leadership. The campaign would also have political implications. Sencer's action memo had noted that "the Administration can tolerate unnecessary health expenditures better than unnecessary death and illness, particularly if a flu pandemic should occur." And it suggested that Congress would act on its own initiative, if the Administration failed to take action.

Before endorsing the campaign, the White House staged a quick meeting (less than 48 hours notice) between the President and a "blue ribbon panel" of scientists, drug industry leaders, the medical profession, public health officials, and state and local political leaders. This meeting seemed partly designed to assure the President that people outside his own Administration favored the campaign, and partly to serve as window dressing for a decision essentially made. The scientific opinions expressed at the meeting were hardly an "independent" view. The scientists who participated were picked by the federal health officials who were recommending the campaign. Moreover, the four scientists who are said to have dominated the discussion—namely Sabin, Salk, Edwin D. Kilbourne, of Mt. Sinai Medical School, and Fred M. Davenport, of the University of Michigan—are all strong proponents of vaccination. At the end of the meeting, the President waited only a few minutes before making his announcement to the press, suggesting that he had not taken much time to evaluate what he had been told.

## FORD'S DECISION INEVITABLE

A Domestic Council staffer later described the flu campaign as "a no decision decision—once the issue is discussed it takes care of itself." Faced with the possibility of an epidemic that could cost many billions of dollars, and offered a chance to present it through a vaccination program that would cost only \$135 million in federal funds, there was little doubt what choice Mr. Ford would make, the staffer said.

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Congress, too, promptly jumped on the bandwagon. There were grumblings that the White House should have consulted with congressional leaders before launching such a massive effort, and there were jurisdictional squabbles between congressional committees. But there was no significant questioning of the program. Appropriations were approved rapidly lest Congress be accused of impeding the time-urgent program.

The federal program would provide most people with a vaccine to protect only against swine flu, but a bivalent vaccine to protect people against both prevalent strains of influenza A—namely, swine and Victoria—would be made available for high-risk groups, such as the elderly and chronically ill. Those at risk could also obtain through private sources a vaccine to protect themselves against influenza B. Meanwhile, the military is expected to immunize its personnel with a vaccine designed to protect against all three strains.

It was only after the campaign had been announced that serious reservations began to surface. At least one expert believes the campaign is such a risky waste of effort that he opposes even manufacturing the vaccine. He is J. Anthony Morris, director of the slow, latent, and temperate virus section at the Bureau of Biologics and longtime critic of influenza vaccines. Morris said he sees "nothing to get alarmed about" in the circumscribed outbreak at Ft. Dix—certainly nothing to justify vaccinating 200 million people. He contends that vaccines have been largely ineffective in past epidemics, and that they cause enough adverse reactions to warrant caution before administering them. "If it were up to me, I wouldn't even start making the vaccine," he says. "There is no clear-cut evidence that inactivated influenza vaccines offer appreciable protection to the recipients."

Most critics take an intermediate position—endorsing the need for manufacturing and distributing the vaccine but preferring to wait until there is another confirmed outbreak of swine flu before administering the vaccine. That is the position of Sidney M. Wolfe, the head of Ralph Nader's Health Research Group, and of several state health officials, including New Jersey's Goldfield, among others. Federal health officials considered the possibility of just stockpiling the vaccine, according to Sencer, but concluded that flu typically spreads so fast it would be impossible to vaccinate people in time to do any good once an outbreak was confirmed. (It takes about 2 weeks for the vaccine to attain its maximum effect.) Thus the decision was made to vaccinate the population even if there is no evidence of an epidemic. Other federal officials say it was also deemed difficult to sell a program that involved buying vaccine but not administering it, and that it would be hard to get people geared up to carry out the campaign on a "might not happen" basis. But the skeptics are so dubious that a pandemic will occur that they are willing to take a chance that there would be time to vaccinate after another outbreak. They stress that a needless campaign of this magnitude imposes costs of its own—it diverts health manpower and money from other important tasks; the vaccine will cause a certain number of adverse reactions; and the public may become cynical about future immunization drives if this one later turns out to have been unnecessary.

The wisdom of the decision is difficult to assess. In a sense, the participants took what was probably the easiest decision under the ambiguous circumstances. The consequences of a failure to vaccinate followed by a pandemic of swine flu seemed far worse to most decision-makers than the consequences of a vaccination campaign that later turned out to be needless. "We're betting dollars against

lives" became a byword of the participants. Moreover, many of those who joined the bandwagon would find a vaccination campaign congenial for professional or institutional reasons. The health bureaucrats in charge of the war would enjoy an infusion of funds into their agencies and the spotlight of public attention; the scientists would have a chance to test immunization theories and new vaccines; the drug industry would reap profits and perhaps develop a broader market for future vaccines; and the politicians could champion the public health. That does not mean that the decision-makers were primarily acting from base motives, merely that a vaccination campaign would be easy for them to adopt. By contrast, those who criticized the campaign thought they had something to lose. The Nader group, for example, acting as representative for the vaccinees, worried about side effects needlessly imposed. And the state health officials were concerned that they would have to divert resources from other important programs to administer the vaccine. Most of the critics had been left out of the decision-making.

Health officials won't know until next fall or winter whether a large outbreak of swine flu actually occurs. If it does, they will look prescient. If not, the grumblings may be expected to rise, especially if those who have been vaccinated against swine flu come down with some other flu strain against which the vaccine provides no protection. PHILIP M. BOFFEY.

MILO PASSALACQUA—KIWANIAN EXTRAORDINAIRE

**HON. ROBERT L. LEGGETT**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. LEGGETT. Mr. Speaker, I would challenge any of my colleagues to produce a constituent like by Milo Passalacqua of Benicia, Calif. What other octogenarian plus 10 can boast of excellent health having maintained a 50-year record on the weekly banquet circuit of perfect attendance in the Benicia Kiwanis Service Club.

Kiwanis is really just an old Indian name that does not mean much in itself, but the people of Kiwanis, representing over a third of the U.S. Congress, have given that Indian name considerable prestige and prominence.

The congressional nonattenders are not the nuts and bolts of this great Kiwanis Service Club. Rather it is the few and perhaps there is only one like Milo Passalacqua, who helped form the Benicia Kiwanis Club in California 50 years ago, and then proceeded to attend 2,600 weekly meetings. Sure the club socializes, but in moderation. One thing the club does not do in moderation is serve the people and community of Benicia. The record of this organization is found at the root of nearly every major community cause and event.

A long diet of creamed peas probably ain't too bad because Milo's health and appearance would be competitive with any 60-year-old I know. The formal celebration of the half-centennial event occurred last Friday evening in the historic Benicia Arsenal Clock Tower.

Milo Passalacqua, for a lifetime of dedication to your club and community, the Congress of the United States salutes you.

**EXTENSIONS OF REMARKS**

HOUSE BUDGET COMMITTEE CHAIRMAN BROCK ADAMS REPORTS ON EDUCATION BUDGET

**HON. BROCK ADAMS**

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. ADAMS. Mr. Speaker, on May 13, the Congress gave final approval to the first concurrent budget resolution for fiscal year 1977. This resolution sets targets for congressional action on Federal spending and tax revenues for the new fiscal year beginning October 1, 1976.

Education funding has been one of the more controversial subjects of the budgetary debate between the Congress and the administration. For the last several years, the executive branch has repeatedly proposed cuts—sometimes quite drastic—in Federal aid to education. Educators have been rightfully concerned about the Federal commitment to education—particularly since President Ford's program of consolidation has advocated each year severe limitations on Federal funding of education.

When members of the National Education Association met recently in Washington, D.C., I had an opportunity to discuss education budget matters with one of the NEA national board members from Washington State, Jim McDaniels, of Spokane. Based on those discussions, I thought it might be helpful to report briefly on the congressional actions on education funding.

Establishment of the new congressional budget process by which the Congress reviews and sets limits on all Federal spending and tax proposals, was largely in response to Presidential impoundment or other budget actions with which Congress disagreed either philosophically or constitutionally. Through use of impoundments, vetoes and fiat, budget decisions were imposed by the Executive, not by the Congress as had originally been envisioned in the Constitution.

Education programs were particularly burdened by the illegal impoundment of lawfully appropriated funds. Although legal battles eventually resulted in the release of some funds, our education system has suffered as the Executive has proposed to channel money away from domestic, people-oriented programs into areas such as defense, foreign aid and tax advantages for the well-to-do ostensibly to accumulate more "capital" for our society.

Now, with the new budget process, the Congress is able to reassert its historic role as custodian of the Federal purse by taking an overall look at revenues and expenditures and responding knowledgeably to the President's budget proposals. Congress now can set its own spending priorities so they reflect the people's wishes and needs.

Yet along with the power comes an agony of choice. We are no longer acting on spending proposals in isolation, solely on their individual merits. We must analyze all programs for their efficiency, effectiveness and desirability in the face of limited revenues.

In its first year of operating under the new budget process, the Congress has

been successful in setting and honoring its own spending ceilings for fiscal year 1976. Budget priorities are beginning to shift with the Congress overriding some Presidential vetoes and setting spending targets for the new fiscal year 1977.

SPENDING PRIORITIES FOR EDUCATION

Of the 16 functional categories, or subdivisions of the Federal budget, education is incorporated in the function 500, along with other Federal programs whose basic purpose is to extend knowledge and skills and to assist individuals to become self-supporting members of our society—child development, elementary, secondary, vocational, and higher education programs, as well as public service employment, training and other labor programs, grants to States for social and rehabilitation services.

President Ford's budget requested for fiscal year 1977 \$16 billion in budget authority and \$17.6 billion in outlays for the entire function 500. What that meant for education funding was a \$1.9 billion reduction in budget authority below the current fiscal year 1976 appropriation levels and nearly \$2.3 billion below the forecast current services funding level for fiscal year 1976. Outlays under this budget proposal are estimated at approximately \$0.7 billion below fiscal year 1976 reflecting funding cutbacks and rescissions requested by Mr. Ford. The President also proposed a block grant for most elementary and secondary education programs and budget authority to fund occupational, vocational, and audit education in advance.

The President's major proposal is to consolidate 24 education programs, eliminating direct Federal participation in favor of channeling Federal aid through the States. While the President assures that no State will lose under this new program, in reality:

Local agencies could experience as much as a 25-percent loss of funds immediately under this proposal—and possibly more in the long run;

The proposed appropriation/authorization level is 47 percent lower than the current authorization; and

Title I alone, probably the most serious compensatory effort of the Federal Government to raise the achievement levels of school children, could be reduced by one-third of its fiscal year 1976 appropriation or more.

The President's plan also repeals the present State matching requirement, thereby paving the way for substitution of Federal funds for State funds. This consolidation proposal may seem acceptable on the surface but may well reduce the Federal commitment to education.

The Congress clearly prefers to give education higher priority treatment. For example, the House Education and Labor Committee recommended to the House Budget Committee that Congress:

First, reject the proposal to consolidate elementary and secondary education programs; and

Second, set a target for education spending at \$12.5 billion in budget authority—\$4.2 billion above the President's request and approximately \$3 billion above the fiscal year 1976 appropriation level forecast.

The committee also recommended sig-

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nificant increases above the fiscal year 1976 levels for elementary and secondary education, library, handicapped, and higher education programs, as well as forward funding for occupational, vocational, and adult education.

In setting its spending targets for fiscal year 1977, the Congress took into account the Education Committee's recommendations, the overall economic condition of our country, and the funding needs of other good programs, and arrived at what I believe are realistic figures. After making appropriate adjustments for comparability, funding increases of \$600 million above fiscal year 1976 levels have been provided for education programs. More specifically, the first concurrent resolution on the budget for fiscal year 1977 targets \$10.5 billion in budget authority and \$9.1 billion in outlays for education. Included in the \$600 million increases are funds:

Permitting all education programs to be funded at least at the fiscal year 1976 anticipated appropriation level—including an amount in fiscal year 1977 comparable to the fiscal year 1976 supplemental of \$900 million;

Assuming full funding for basic education opportunity grants;

Providing increases of \$200 million in budget authority above the fiscal year 1976 level for title I elementary and secondary education programs;

Providing an increase of \$158 million in budget authority above the President's budget for various other education programs; and

Accepting the \$118 million in budget authority for program increases requested by the President.

The resolution also recommends acceptance of the proposal to forward-fund occupational, vocational, and adult education.

The Congress must abide by this and its other budget guidelines set in the first concurrent budget resolution for fiscal year 1977 in order to hold down the Federal deficit. Last year, the targets helped Congress to reduce the deficit and rearrange priorities so as to allocate more money to education. If, however, Congress fails to honor its spending limits and to stand by our new budget process, it will mean an end to congressional control of fiscal policy.

## WHAT SHOULD THE FEDERAL COMMITMENT TO EDUCATION ENTAIL

Congressional initiatives in education have placed and should continue to place the highest priority on aiding those who are educationally disadvantaged. While it is the primary responsibility of State and local governments to provide education for their citizens, I believe the Federal Government has a legitimate role in providing equal educational opportunities and at least a minimum level of education for all.

First, it would be helpful to have a clear picture of the present and projected Federal financial commitment to education by creating a separate functional category for education in the Federal budget. The House Budget Committee has formed a task force on the budget

process, which I chair, to consider, among other subjects, a revision of existing functional categories of the budget. In a proposal we are circulating, the task force recommended the creation of a separate function for education.

An important reason for making such a change would be to split off programs that are countercyclical in application because in times of economic hardship, spending for such programs as job training necessarily increases, leaving education vulnerable to cuts in order to keep down the overall funding level in that budget function. However, there are those who would prefer that education and employment programs be kept together. It can be argued that education should be considered in context with employment issues since education plays such an integral role in preparing our citizens for future employment and keeping these programs together would preserve the coalition of supporters who have been so important in efforts to maintain adequate human resource funding. At this point, it is unclear how this debate will be resolved, but we intend to have further discussions in the near future.

Second, the Federal Government should encourage the equal distribution of educational spending within each State by providing financial support to those States which are developing plans to equalize State expenditures for education within their own boundaries. This would insure that all students receive equal opportunities for education regardless of the wealth of their local school districts. One of the important features of the program is that it helps the States to help themselves make educational spending within the States more equitable.

The authority for such a program is provided in section 842 of the Education Amendments of 1974—Public Law 93-380. The second supplemental appropriation bill includes \$3 million to fund from July 1 to October 1, 1976 proposals by 15 States which are expected to apply for this Federal assistance by June 30. This bill was approved by Congress on May 19 and is awaiting Presidential signature. Predictions by the House Appropriations Committee are that the authorization for this program will eventually be fully funded at \$13 million.

Third, the Federal Government should work to make its system of aid to education more workable and less tangled in redtape.

President Ford has proposed consolidation to eliminate redtape and allow more State discretion in spending for various programs. This proposal, however, is a bit reminiscent of that old shell game we watched unfold with Federal revenue sharing. At the same time that the State and local governments were scheduled to receive "new funds" under revenue sharing, the administration's budget proposal was to cut back an even greater amount in Federal spending for social services programs.

While there are many problems with the President's consolidation plan, I am

not saying that the concept of consolidation has no merit. Any serious consolidation plan, however, should be aimed at reducing the administrative, but not the fiscal, role of the Federal Government in education. Such a plan would have to embody the following elements:

First, an authorization level at least as great as the level in effect when the proposal was enacted—in current terms, this would be \$6.3 billion rather than the President's \$3.3 billion request;

Second, flexibility to cut back or redirect funding for obsolete narrow programs, and assured funding to continue at present or increased levels for high priority, effective programs;

Third, a "locus" of control shared between State and local education agencies depending upon current administrative control of the program (States would pass funds through to the local districts, which would have authority to regulate the programs);

Fourth, a careful repeal of cumbersome legislation, but retention of "comparability" criteria for title I (insuring that funds are used strictly as supplemental resources rather than being substituted for State and local spending for basic education);

Fifth, a hold-harmless for occupational, vocational and adult education at 100% of its previous year's allocation;

Sixth, a set-aside for State planned new initiatives;

Seventh, provision to permit dissemination of exemplary compensatory education projects;

Eighth, specific and strong provisions for State accountability;

Ninth, allowance for a reasonable overall appropriation increase, reflecting a priority to title I grants for the disadvantaged and handicapped.

If enacted this year, such a program is projected to cost approximately \$3.5 billion, assuming a .02-percent set-aside under point No. 6, a 5-percent increase under point No. 9, and a 1.05-percent hold-harmless for title I aid to the disadvantaged and handicapped under point No. 9. This is \$100 million below the amount provided for these programs in the first budget resolution for fiscal year 1977.

It should be stressed that the chances for successful implementation of any consolidation program or new initiatives depend on finding the funds to support it within the Federal budget. That means competition with other worthy programs for funds. In addition, any consolidation program would necessarily have to be developed with extensive involvement from those participating in education and the administration of educational programs at all levels.

I hope this report has offered some idea of the effect the new congressional budget process is having on education funding and the reordering of budget priorities. As long as Congress has control over where Federal funds are spent, I believe we can continue to ward off efforts to starve our educational system and give a deservedly high priority to the funding of educational programs.

NATIONAL FOREST RECOMMENDED  
RENEWABLE RESOURCE PROGRAM

## HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. BROWN of California. Mr. Speaker, the Forest Service has prepared and submitted to Congress a report on its recommendations for the management of national forest lands in the next 34 years. This report was required by the Resources Planning Act of 1974 and it consists of cost/benefit assessments and management plans to enhance multiple use, including recreation, wilderness, wildlife and fish, timber and range.

Since the bill, H.R. 3091 as amended, recently reported from the Senate Agriculture and Interior Committees, amends the Resources Planning Act, I found it somewhat confusing that none of the hearings testimony or markup concentrated on the recommendations or assessments made in this report, nor the various public criticisms of the report language and assertions.

This resources planning report should be taken more seriously than it seems to be. It is a statement covering the years 1977-2020, years of timber management which will be crucial to the future productivity and maintenance of the beauty and diversity of our public forest lands. Present decisions regarding timber production and harvesting potential must be analyzed carefully before accepted because the mature stands in many of our national forests, especially in the Pacific Coastal States, could easily be the victims of rising demand for wood fiber and the resulting pressures of the timber industry.

In my estimation, these demands can be met by a carefully balanced formula of private nonindustrial, industrial, and national forest land development, harvesting, and regeneration. But it should not be assumed that this formula is the one to be used in the next 30 years. Congress must become involved in this planning process now, not three decades from now when public outcry has reached a pitch that demands response.

I would like to draw the attention of my colleagues to the following critique of the recommended renewable resources program report I have just mentioned. It was prepared by the Oregon Environmental Council and is a concerned statement on the obscurities and oversights within the program report. I would like to quote from one particular section:

The Forest Service says that since this is a national program they are not able now to assess the impacts of the program on any particular area, such as Oregon. But Oregon National Forests are still largely old-growth timber and Goal C calls for a steep increase in timber output. So all present indications are that, for Oregon at least, in spite of all the high talk about mitigation of adverse impacts, the Program would result in a deterioration of water quality, fish habitat, wildlife habitat, scenery, soil productivity, and non-motorized recreation.

## EXTENSIONS OF REMARKS

I urge my colleagues to read the comments of this concerned group of citizens. It is such considerations that must be taken up before we pass a final piece of legislation on national forest timber management reform.

The report follows:

## COMMENTS OF THE OREGON ENVIRONMENTAL COUNCIL ON THE FINAL ENVIRONMENTAL IMPACT STATEMENT AND THE RECOMMENDED RENEWABLE RESOURCE PROGRAM, 1977-2020

In March, the Forest Service presented to Congress its Recommended Program for 1977-2020, as required by the Resource Planning Act of 1974. The Program considered six systems: Outdoor Recreation and Wilderness; Wildlife and Fish Habitat; Range; Timber; Land and Water; and Human and Community Development. It recommends a program for each system, to involve not only National Forest lands but also all of the Nation's private non-industrial forest lands, which comprise 59% of all the commercial forest lands in the U.S.

## (1) Outdoor Recreation and Wilderness—

(a) Outdoor Recreation—The program calls for an increase in "dispersed recreation", which is never defined, but appears to mean that there will be a lot more logging roads for people to drive on and camp beside in their campers and trailers. Significantly, there is not one word about construction of new trails or reconstruction of old trails. In the table of outputs there is an entry for miles of service road construction but no entry for miles of trail.

(b) Wilderness—The Forest Service has decided that the amount of wilderness that it has recommended or has under study will be the maximum acreage added to the wilderness system in the National Forests. Thus, there are about 12.5 million acres of National Forest lands under wilderness study, 2.5 million of these being in Alaska. The 10 million acres under study in the 48 contiguous states is equal in area to a square, 125 miles on a side. Of the 12.5 million acres under wilderness study, the Forest Service plans to recommend between 8.5 and 12.5 million acres for ultimate wilderness classification, and is going to take 30 years doing it. The reasons for stringing it out this long, given on page 80-81, are not convincing. If the Forest Service has its way, we will be lucky to get the 12.5 million acres now designated for study.

## (2) Wildlife and Fish Habitat—

The recommended goal calls for increases in populations of animals and coldwater fish, but it cautions that individual species may increase or decrease. Thus as our old-growth forests are liquidated, there will be fewer pine martens, for example, but a lot more rabbits and mice. Eastern Oregon National Forests are now making timber production plans which will reduce elk numbers significantly. Maybe these would be made up by an increase in porcupines. As for fish habitat, we know that the Willamette National Forest, for example, predicts a deterioration of fish habitat in its streams. The only way they would get an increase of fish in Willamette National Forest streams would be by planting more hatchery fish. Presumably the fish habitat improvement, if any, would come on other lands. There is no breakdown of this system into National Forest goals and private forest land goals.

## (3) Timber—

The Recommended Program calls for an 85% increase in annual timber output (cubic feet) from the National Forests by 2020, turning many of our National Forests into National Tree Farms. The Forest Service claims that their selected combination of National Forest and private land outputs (Goal C) gives the maximum timber output

commensurate with costs, but examination of Tables 53, 55, and 57, shows clearly that in 1980 and again in 2020, a combination of lower National Forest output (Goal B) with higher private land output (Goal D) will give more wood at less cost. The recommended Program (Goal C) does not really concentrate capital investments on the most productive lands but includes considerable investments in less productive National Forest lands. The program calls for restricting timber stand improvement investments such as precommercial thinning to lands capable of producing more than 50 cubic feet of wood/acre/year. This is too low in productivity for investment of the taxpayer's dollar. OEC supports the Soil Conservation Service recommendation (Page BB-12) for a productivity of at least 120 cu. ft./acre/year to qualify for intensive management investments.

In determining benefit/cost ratios for the Recommended Program, the Forest Service appears to confuse outputs with benefits. For example, the old-growth timber on Oregon's National Forests is a free benefit from Nature's bounty and is not related to any activity or cost on our part. Therefore outputs of old-growth timber should not be counted in the B/C ratio. Similarly, erosion control accomplishments or habitat restoration or outer mitigative measures are like running on a treadmill just trying to keep up. They are not net benefits. An example of true benefit would be the value of mature sawtimber resulting 100 years from now as a result of our planting an old burn with seedlings. Also, this timber value would have to be discounted for the 100 years in determining the B/C ratio.

In like manner, all the true costs of the Timber Program must be charged against timber benefits. Many of the costs of the Timber System are not shown in the Timber System Table 120, but rather are shown as costs charged against other systems, such as Land & Water, Wildlife & Fish, and even Human & Community Development. This lays the basis for faulty accounting and erroneous B/C figures. Some of the so-called Land & Water costs such as arterial road construction, erosion control, fire control, and soil productivity improvements are in reality timber costs and should be charged directly to timber. Unfortunately, Table 121 for the Land & Water System does not give a separate breakdown of these costs for National Forest lands.

Again, many of the costs for fish and wildlife habitat improvement should be charged to the system responsible for their degradation, namely the Timber System. An example is the cost of clearing logging debris from streams to allow fish passage. Table 118 should give a breakdown of these costs by activity and by ownership (National Forest or private), but does not do so.

Even in the Human and Community Development System, a portion of the manpower costs should be charged to the Timber System in those cases where the work accomplished, such as precommercial thinning, will result in an increased timber output in the future.

## (4) Land and Water—

Except for the important function of land acquisition and consolidation, most of the activities of this system are timber- or range-related and to that extent the costs should be charged against the benefits of those systems.

## (5) Human and Community Development—

This system includes the manpower programs such as Job Corps, Youth Conservation Corps, CETA, and others. When these activities result in benefits to the Timber or Range Systems or mitigation of negative benefits from these systems the costs should be charged to the Timber or Range account,

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On page 653 in the appendix, a skeleton Benefit/Cost analysis appears, with no accompanying text to explain it. Like a golden tablet with secret inscriptions, this table has mysterious origins and appears to be unrelated to any of the information preceding it. One would have thought that somewhere in the 653 pages of this report could have been included a complete breakdown of benefits and costs. Without it, this EIS is not worth much to the people or to the Congress. If Congress really cares about how our money is spent, we hope that they will not accept this mumbo-jumbo.

The Recommended Program is geared to meeting the commodity demand anticipated by the Forest Service, but as the EPA points out (page BB-58) "... prudent use [of the National Forests] is as essential as proper management to meet demands." Furthermore, the Forest Service denies (page BB-16) that "... a primary role or mission of the Forest Service is to point out opportunities to lessen demand." We strongly disagree. It is the duty of the Forest Service to protect the National Forests, from excessive demands which undermine balanced multiple-use management. When the demands consist in part of wasteful consumption through inefficient and wasteful use of wood and paper products, then it is the most serious responsibility of the Forest Service to speak out clearly against such wasteful practices. The Forest Service itself must display a "continuity of interest in the complete chain of operations from harvest to final use." (page 293).

Although the Recommended Program is presented as a Final EIS, there is no invitation for further public comment, so at this point the public must direct its comments to Congress, which must decide how much money goes into this program and how it will be allocated. The Forest Service says that since this is a national program they are not able now to assess the impacts of the program on any particular area, such as Oregon. But Oregon National Forests are still largely old-growth timber and Goal C calls for a steep increase in timber output. So all present indications are that, for Oregon at least, in spite of all the high talk about mitigation of adverse impacts, the Program would result in a deterioration of water quality, fish habitat, wildlife habitat, scenery, soil productivity, and non-motorized recreation.

#### (6) Range

Public Law 93-378, 93rd Congress on August 17, 1974 ordered the Forest Service to inventory and evaluate opportunities for improving yield and benefits from the "present and anticipated uses, demand for, and supply of the renewable resources. . . . together with estimates of investment costs and direct and indirect returns to the Federal Government." The complete report weighs 12 pounds, contained in a pile of documents six inches high. It is a massive work if measured by the number of words used to meet the directive of Congress.

In presenting the subject of rangeland (which includes forested areas that are grazed by livestock) much of the material is taken directly from The Nation's Range Resources, Forest Report No. 19, which was written by the Forest Service and published in December 1972.

Forest Report No. 19 is a comprehensive analysis of the extent, the productivity and the present condition of the Nation's range resources. It contains a prophecy of output or the productive potential of rangelands under each of six different techniques that are suggested for management of rangeland. These techniques are called strategies. However, in the EPA report the choices for management are described as Alternatives.

Days or even weeks can be spent in reading and studying the text in this monumental collection of information. Volumes of repetitive information can be bypassed by

quoting from the Summary of the Project and commenting upon quotations. The findings are reported in the following paragraphs:

In 1970, 1.6 billion acres, some 69 percent of the Nation's area, were classified as forest and rangeland. About two-thirds of this area was in rangeland and noncommercial forest. Another 31 percent—500 million acres—was commercial forestland capable of producing in excess of 20 cubic feet per acre of industrial wood a year in natural timber stands and not withdrawn for other uses. The remaining three percent—some 48 million acres—was classified as inland water.

Some 99 percent of prairie grasslands, 94 percent of plains grasslands, and 84 percent of mountain grasslands are in non-Federal ownership, nearly all private. The shrub ecosystems, on the other hand, are largely public lands. About 82 percent of the sagebrush land and 70 percent of desert shrub land are on Federal holdings.

It is estimated, for example, that nearly a quarter of the rangeland areas in the contiguous States is in the lowest productivity class, and another three-fifths is in the moderately low class. A large proportion of the lands in these lower classes is in the National Forest and other Federal ownership. Nearly three-quarters of the rangeland was producing less than 60 percent of potential in 1970. Nearly three-quarters of the rangeland was in fair or poor condition in 1970.

In a nutshell, the condition of the Nation's range resources is in deplorably bad shape from overgrazing. However, our ever optimistic planners claim that by expenditures proposed for the Recommended Program of \$21.7 million each year until 1980, rising in that year to \$58.4 million and then increasing to \$86.9 million annually in the decade 2011-20, productivity of forage for livestock will climb upward from 11.8 million AUM's to 20.4 million AUM's in 2020. These figures only cover National Forest rangelands, but are applicable to all of the rangeland in the Nation.

It is customary for reports that are submitted to Congress to be described in broad general language; the RPA follows that custom. Likewise, statistics are given only for large acreages of ecosystems, or by private and federal administrative units. For example, in the statement "Nearly three-quarters of the rangeland was in fair or poor condition in 1970," there is no tie made to any specific area. To be of any practical use, that statement ought to specify the number of acres found in those conditions by identifiable geographical location in order to bring the data to locally known areas. In 1973, the Forest Service reports 451,789 AUM's were authorized under paid permit in the National Forests of Oregon and Washington managed from Portland. If there is no need to make reductions in livestock use or to provide habitat for wildlife or for other uses, by the year 2020 an increase of 55 percent or a total of 1,003,975 AUM's is forecast as the possible goal, providing the recommended program is implemented in full.

A logical question to ask, is where are the grazing allotments on the Eastern Oregon forests that can provide 55 percent more forage without substantial damage and degradation over the deterioration of many allotments that are in poor condition now? Can these allotments be rehabilitated by 1980 to make possible any increase in AUM's to be sold? Assuming that the progress for making range reductions on allotments suffering from resource damage now will not be increased, is there any justification to believe that the reductions needed will be completed by 1980 or even by 2020?

The Forest Service also reports "Some 17.6 million acres, approximately one-sixth of the 105 million acres in MFS grazing allotments, are rated as being in unsatisfactory (low) ecological condition—producing less than 40

percent of their natural potential productivity. They are not producing vegetation of the kinds and amounts one would expect from the soil, climate, and other environmental elements . . . in fact, severe erosion on much of this land is reducing water quality and wildlife and esthetic values." Again there is no identification of the locations of these denuded lands. The public should be given complete information as to where such extremes in such conditions exist and what specifically is being done to stop damage and rehabilitate them. Of first priority is the restoration to satisfactory conditions in those areas.

A recent report on the condition of National Resource lands under the management of BLM reveals:

#### Range condition

Excellent	2 percent	3.2 million acres.
Good	15 percent	24.4 million acres.
Fair	50 percent	31.5 million acres.
Poor	28 percent	45.6 million acres.
Bad	5 percent	3.2 million acres.

Obviously, a very generous amount of optimism is woven into any claim that this vast body of rangeland, 83 percent of which is reported to be in fair or below in ecological condition, can increase its output of AUM's by 55 percent in the next 24 years. The claim in light of the progress made to date in rehabilitating overgrazed range land appears to be completely unattainable.

Lastly, the Soil Conservation Service reporting upon privately owned grazing lands says (soil and water conservation needs—a national inventory):

"Overgrazing is the most widespread hazard to established pastures and ranges. Of the nearly 185 million acres needing only protection of plant cover, 163 million acres or 88 percent needs protection from overgrazing. In addition, the 72 million acres needing establishment of new cover and the 107 million acres needing improvement of existing cover will require protection from overgrazing to make those treatments successful. Altogether, then, about 343 million acres or 68 percent of non-Federal pasture and range needs additional protection from overgrazing. The remainder, now adequately protected, needs continued attention to maintain the protection."

To summarize, the rangeland section of the PPA report, there is no concrete evidence presented to support the claim that by implementing any of the Alternatives we will achieve the goals established for them. None are really attainable without first drastically adjusting livestock use on the millions of acres of rangeland in all ownership categories that are overgrazed. In the 70 years the Forest Service, and in the 40 years the BLM has been managing rangeland, both agencies have failed to achieve authorizing grazing use that is in balance with forage productivity. Both sell more forage each year than can be delivered without damage to the range and related resources. Both admit the presence of severe overgrazing and denudation of land on millions of acres that they manage.

How then can the goals described be achieved without causing additional damage to the 83 percent of rangeland that is already reported as being excessively grazed and ecologically in unsatisfactory condition? The findings of the RPA report as to projected increases in AUM's cannot be accepted at face value, but the revelations as to the unsatisfactory ecological conditions of the magnitude described are shocking enough to demand prompt action be taken on the part of the Federal agencies to halt overgrazing and give first priority to reduction of livestock use to prevent cumulative damage to the areas that are now classified as overgrazed. Such action is long over-due. Congress should demand that administrative actions be taken to immediately halt excessive grazing use wherever it is occurring.

WITH YANKEE INGENUITY AND NOT A CENT OF FEDERAL FUNDS, THE PEOPLE OF WELLS, MAINE, HAVE SOLVED A PROBLEM

**HON. DAVID F. EMERY**

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

MR. EMERY. Mr. Speaker, we are all well aware that current thinking demands that problems generally be solved by throwing money at them, usually Federal tax dollars. I am pleased to bring to the attention of my colleagues and the public the way a group of people in Maine, residents of the town of Wells, have gone about solving a major problem using good old Yankee know-how, coupled with typical Maine independence and fiscal conservatism.

The article from the Portland, Maine, Press Herald, May 17, 1976, explains the cooperative, independent spirit in which the people of Wells, Maine, are raising dragonflies to consume the newly hatched mosquito larvae, thereby controlling this perennial mosquito nuisance in a tourist community in an ecologically sound, inexpensive way:

PEOPLE OF WELLS, MAINE, HAVE SOLVED A PROBLEM

(By Clark T. Irwin, Jr.)

WELLS.—It may be early in the season, but 12,000 tourists already are settled in around Wells, enjoying the scenery and gorging themselves with Down East food.

The newcomers are dragonfly nymphs, immature forms of the familiar insect, and they may each eat their own weight in mosquito larvae (immature mosquitoes that can be seen wriggling in still waters) in an hour!

The dragonflies were brought here as an experiment in mosquito control that would avoid the use of chemical insecticides. Local residents and businesses suffered intensely from the winged marauders last summer.

When the Wells town meeting convened in March, a warrant article proposed raising money for chemical spraying of likely mosquito breeding areas, particularly in the Wells marshes.

Biologists from York County's Rachel Carson Wildlife Refuge told the townspeople that while chemical spraying might reduce the mosquito population if intensively applied, surviving mosquitos could repopulate within days. The pests have a phenomenal birth rate.

The biologists suggest digging ditches to circulate water through the marshes and render them unattractive to maternally inclined female mosquitoes.

The meeting took a fateful turn when Mrs. Thelma Ham rose to speak. She recounted an experience while boating on a canal in France. Asking her guide why there were no mosquitoes along the quiet waterway, she was told that the dragonflies kept them under control.

She suggested that the town investigate alternatives to spraying, with attention to dragonflies. After others had noted that the proposed spray, malathion, was a derivative of nerve gas compounds and could affect people with liver trouble, the meeting voted down the spraying appropriation.

Then local organizations and environmentalists swung into action. The Wells Chamber of Commerce, headed by Brent Marriner, coordinated procurement and distribution of the 12,000 dragonfly nymphs on May 1, at \$5 for a bag of 25 nymphs.

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Members of Boy Scout Troop 353, students from the Tatnic Hill School and other volunteers helped plant the nymphs in still water pools in the marshes and elsewhere.

Other nymphs are residing in backyard pools. Still others are growing fat in bathtubs and washbasins filled with pond water and aquatic plants and mosquito larvae for snacks.

Isabel Lewando of Ogunquit has a colony of nymphs in an old bathtub in her back yard. She says the major requisite for success is providing plants or twigs for the nymphs to climb to dry their wings when they mature in 10-12 weeks.

Lewando's bathtub contains a layer of wholesome pond muck topped with fresh pond water and laced with larval appetizers, all for the enjoyment of the infant dragonflies.

Once the dragonfly nymphs mature, they will appear, as the graceful, highly maneuverable airborne insects that will continue their depredations on the mosquito population. If, by some chance, they exhaust the supply of mosquitoes in the Wells area, they will move on to richer hunting grounds possibly extending their services to other afflicted towns.

If the dragonfly planting is a success, it will be a great encouragement to those who are trying to avoid the expense and hazards of chemical pest control. If it works, the whole town will be buzzing about it.

**HAPPY BIRTHDAY CATHERINE FILENE SHOUSE**

**HON. HERBERT E. HARRIS II**

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

MR. HARRIS. Mr. Speaker, I would like to call to the attention of the House the birthday celebration of Catherine Filene Shouse who is well known and admired by the people of the Washington metropolitan area.

Catherine F. Shouse was born 80 years ago to a wealthy Boston family. She received a B.A. from Wheaton College in Massachusetts and was the first woman to be awarded an M.A. degree from Harvard University's Graduate School of Education.

Later, her considerable energies were turned to political and cultural areas where her versatility is well documented. For instance, she was the first woman to be appointed to the Massachusetts State Democratic Committee; and was the first woman to serve on the National Democratic Committee representing her State. She has been closely associated with the John F. Kennedy Center for Performing Arts since her appointment to the board by President Eisenhower in 1958; and has acted as a liaison between the Center and the Washington National Symphony. She has supported the National Symphony with gifts of time, talent, and money for over 20 years subsidizing concerts for young people and handicapped children. This is a record of which any individual can be proud.

Six years ago, we were delighted to witness the first performance at the Filene Center of Wolf Trap Farm Park for the Performing Arts. Since then, thousands of citizens have been able to take advantage of a myriad of cultural

activities offered by Wolf Trap. All of this was made possible through the efforts and generosity of Mrs. Shouse who donated the Filene Center and her 145-acre Vienna farm to the Department of Interior for the Nation's only national park for the performing arts.

In honor of her major contribution to the arts, a series of events will be held to coincide with the celebration of her birthday and the 1976 opening of Wolf Trap. I would like to take this opportunity to offer my best wishes and sincere appreciation to this remarkable woman. Her optimism, devotion, and leadership have played a vital role in the development of Washington's cultural life; and, her endowment to this community will endure for years to come.

**MORE FLOOD DISASTERS**

**HON. ROBERT H. MOLLOHAN**

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

MR. MOLLOHAN. Mr. Speaker, for months, we have been forecasting that the Flood Disaster Protection Act and the sanctions on real estate loans and construction assistance would deteriorate property values. Now we find that the other body of the Congress has proposed similar sanctions in their version of the Energy Conservation in Buildings Act (H.R. 8650) which is currently awaiting a conference.

The following article from the Parkersburg Sentinel of Parkersburg, W. Va., clearly discloses that just such depreciation of property values as we had forecast is happening.

[From the Parkersburg Sentinel, Apr. 29, 1976]

ASSESSOR SEES TAX BREAK FOR FLOODPRONE PROPERTY

(By Don Corathers)

Suburban and rural residents of Wood County who own property in flood prone areas may pay considerably less property tax next year. Assessor Gene Knotts said Wednesday.

After meeting with an angry Boaz businessman who says he can't borrow money on his riverfront land because the county isn't participating in the national flood insurance program, Knotts agreed the flood program has rendered the land worthless, and said it should be taxed accordingly.

Under the terms of the National Flood Disaster Protection Act of 1973, residents of flood-prone areas who live in counties or cities which aren't participating in the national flood insurance program cannot borrow money from federally regulated banks against their flood-prone property. Although Parkersburg, Vienna and Williamstown have all agreed to participate in the program, two of Wood County's three commissioners object to the land use regulations and building code standards imposed by the government, so the county isn't participating.

John McGuffey, operator of McGuffey Amusements, Tuesday told the commissioners their refusal to join the program has made it impossible for him to borrow money on a tract of land he owns along the Ohio River. Wednesday McGuffey found a sympathetic ear for his complaint in the assessor's office.

"My problem is, as assessor, I have to look

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at property and put a value on it for tax purposes," Knotts said later. "We often use as a guide in making appraisals how much money the owner can borrow on the land. That's what it's worth."

Knotts said he is inclined to treat flood-prone land in the county in the same way landlocked property is appraised. In those cases, where the landowner has no access to his property, the appraisal is usually a nominal \$10 or \$20, he said.

"The flood insurance program is going to cause some problems, and rightfully so," he said. "If I were in those people's shoes, I'd come in and see the assessor too."

"We're going to look at these people's problems, and probably make some adjustments. After all, my job is to see that property owners are treated fairly."

Knotts said it is impossible to estimate how many landowners might be affected or how much tax revenue the county would lose as a result of the flood zone reappraisals. That problem is complicated by the fact that the flood zone identification maps prepared by the Department of Housing and Urban Development are inaccurate, according to the county commissioners.

Residents of flood-prone areas in Parkersburg, Vienna and Williamstown won't be affected by Knotts' decision, since those cities are participating in the program.

McGuffey maintains the same standards applied to the value of his land should prevent the county from taxing major manufacturing plants along the river, but Knotts said, "that situation will require some looking into."

It appears, Mr. Chairman, that the Government has assumed the role of providing protection for our citizens whether they want that protection or not. In this instance, we are throwing additional barriers in the path of recovery for the building industry.

I urge my colleagues to pause to consider the ultimate adverse effect such actions will have on the very people they are elected to represent in the Congress.

Two actions are in order. The first is to insist upon an amendment of Public Law 92-234, the Flood Disaster Protection Act, to remove the unfair sanctions contained in the law. The second is to oppose the inclusion of such sanctions in H.R. 8650, the Energy Conservation in Building Act.

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**HISTORIC SUGG'S CREEK CUMBERLAND PRESBYTERIAN CHURCH IN WILSON COUNTY, TENN., OBSERVES 176TH ANNIVERSARY**

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**HON. JOE L. EVINS**

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. EVINS of Tennessee. Mr. Speaker, recently the historic Sugg's Creek Cumberland Presbyterian Church in Gladeville, Wilson County, Tenn., observed its 176th anniversary.

This pioneer and historic church has been a leader in the community for almost two centuries and was the mother church where the Cumberland Presbyterian denomination had its origins and beginnings.

Recently, on May 16, last, the Sugg's

Creek Cumberland Presbyterian Church observed its 176th anniversary with appropriate dedicatory ceremonies and in this connection, I wanted to place in the RECORD herewith an account of this dedication service provided by Mr. Thomas E. Partlow of Lebanon, Tenn., and the Reverend Calvin C. Cunningham of Murfreesboro. The summary of the dedication service follows, together with a letter of commendation which I was pleased to send to the Reverend Cunningham in connection with this important and significant occasion.

These materials follow:

**SUGG'S CREEK CUMBERLAND PRESBYTERIAN CHURCH, GLADEVILLE, TENN.**

The historic Sugg's Creek Cumberland Presbyterian Church in Wilson County, Tennessee observed its 176th anniversary on Sunday, May 16. The highlight of the observance was dedication of the historical marker recently erected by the State of Tennessee.

The day's activities began with the 11 o'clock worship service. Mrs. Ernest Swain of Dearborn, Michigan presented a history of the Sugg family. Mrs. Swain stated that the present church building is believed to be located at the site of the original Aquilla Sugg log house. Sugg was a circuit riding Methodist minister in North Carolina, Tennessee, and Kentucky before settling in the Wilson County community which today bears his name.

Following Mrs. Swain's presentation, the morning message was given by the Reverend C. Ray Dobbins of Memphis, Tennessee. Mr. Dobbins is the Editor of the "Cumberland Presbyterian Magazine".

A community wide dinner on the grounds was held from noon until 2:30 p.m. At 2:30 p.m. the dedication service for the historical marker was held. The program was under the direction of the Reverend Don Reeves, Murfreesboro Presbyterian Pastor. A message in song was presented by Mr. Steve Moore who sang "Bless This House".

The Dedicatorial Message was given by the Reverend Alfred Bennett, Pastor of Old Beech Cumberland Presbyterian Church in Hendersonville, Tennessee. Mr. Bennett pointed out that the first Synod of the Cumberland Presbyterian Church was held at the Old Beech Church. This Synod then issued the order for the historic meeting held at Sugg's Creek in 1814.

The Congregation next marched to the Marker which was unveiled by Miss Sue Hamblen. The reading of the inscription on the Marker was by the Reverend C. Ray Dobbins.

The inscription states that "Sugg's Creek Church, founded in 1800, became Cumberland Presbyterian in 1810. The first Constitution of the Cumberland Presbyterian Church in the United States of America containing the Confession of Faith, Catechism, Government and Discipline, and Directory for Worship was ratified and adopted by the Synod of Cumberland, held at Sugg's Creek April 5-9, 1814."

The prayer of dedication was by the Reverend Logan Tilman, Moderator of Murfreesboro Presbytery. The services of the day were concluded with the Reverend Argyle Faith of Lebanon leading the Congregation in singing "Bless Be The Tie".

The Sugg's Creek Church was organized as a Presbyterian Church in 1800 by the Reverend Samuel Donnell. Serving as ruling elders in the Church, an oak log house heated by an old-fashioned fireplace, were William Hannah, John Hannah, Hugh Telford, and Robert Law. The log house was torn down in 1834 and replaced by a cedar log building of "twelve corners" to accommodate the large numbers of people attending.

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When the Cumberland Presbyterians organized in 1810 in Dickson County, Tennessee, the Sugg's Creek Congregation placed itself under their control. The Reverend David Foster served as pastor from that time until his move to Illinois in 1828.

During Foster's ministry, the Cumberland Presbytery met twice at Sugg's Creek. The Constitution adopted by the Synod meeting there in 1814 remained in effect until it was revised by the Synod which met at Princeton, Kentucky in 1829.

Several, later to be well-known, ministers were ordained at Sugg's Creek Church. These include Richard Beard, Ezekiel Cloyd, James S. Guthrie, and James A. Drennan. Drennan is considered to be one of the founders of the Cumberland Presbyterian Church in the State of Missouri.

The second building was replaced in March of 1899. This third building still serves the Church today. The Building Committee consisted of Dr. J. G. Brown, E. W. Bland, and W. M. Mires. Most of the work on the building was done by members of the Church with Will E. Fields serving as foreman.

The Sugg's Creek Cemetery, located next to the Church, is one of the oldest cemeteries found in Wilson County. Many of those buried in the cemetery came to Wilson County in the early 1800's from the Mecklenburg County, North Carolina-York County, South Carolina area.

The oldest person buried in the cemetery is John Drennan who was born in Pennsylvania in 1840. By 1758 he was in York County, South Carolina where he leased land from the Catawba Indians for a period of 99 years. Drennan served as the first Probate Judge of York County. He and his grandson, Thomas Partlow, moved to the Sugg's Creek area in 1805.

The period prior to 1858 saw at least fifty great camp meetings and an equal number of protracted meetings. Such giants of the Cumberland Presbyterian Church as Fimis Ewing, John Barnett, Thomas Calhoun, Robert Donnell, William Barnett, George Donnell, and Richard Beard have preached at this little country church.

The Sugg's Creek Cumberland Presbyterian Church, now one hundred and seventy-six years old, not only adopted the first Constitution of the Cumberland Presbyterians, but since its beginning has sent out countless ministers. Today, the Church has fourteen members with the Reverend Calvin S. Cunningham serving as pastor.

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WASHINGTON, D.C., May 3, 1976.  
Rev. CALVIN S. CUNNINGHAM,  
Murfreesboro, Tenn.

DEAR REVEREND CUNNINGHAM: Certainly I am pleased to join in commanding and congratulating the Sugg's Creek Presbyterian Church on the occasion of its 176th anniversary. The Sugg's Creek Presbyterian Church is a pioneer church, a leader in the community for almost two centuries and the Church where the Cumberland Presbyterian denomination had its origins and beginnings.

As you know, the synod of Cumberland, meeting at Sugg's Creek in 1814, adopted the Constitution, Catechism and Rules of Worship for the Cumberland Presbyterian Church in the United States—the only major religious group said to have originated in Tennessee.

Certainly I want to commend and congratulate you, the leaders of your Church, and the dedicated members on this important occasion and I wish for you and all those associated with your outstanding Church the very best of continued success in God's work.

With kindest regards and best wishes, I am  
Very sincerely yours,  
JOE L. EVINS,  
Member of Congress.

## HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. YATRON. Mr. Speaker, one of my constituents, Richard Spontak, has authored a Bicentennial poem, "American History in Poetry, 200 Years of Freedom."

I feel that this young man has truly exemplified the spirit which kindled our great Nation. I was in fact, so very impressed by this composition, that I would like to share it with my colleagues:

AMERICAN HISTORY IN POETRY: 200 YEARS  
OF FREEDOM

In 1776 our nation's spirit of independence was born  
With such patriots as Hancock and Lee,  
They signed our Declaration and had sworn  
That this nation under God would always remain free.

Although many lives were lost in America's revolution  
The price of freedom was at last paid,  
God's help had created the solution  
So Americans had no more bloody streams to wade.

In 1783 America received its independence  
For the war was cruel and did last,  
Now this small nation had to be on its defense  
Because its government was not yet steadfast.

In 1787 the Constitution was wisely devised  
By such great men as Morris and Franklin,  
The creation of a democracy was well realized  
And so a strong government was soon to have its origin.

In 1803 the United States was doubled in size  
When the Louisiana Territory was bought,  
The Mississippi as an outlet was no surprise  
For this territory was long sought.

In 1812 an unwanted war occurred  
With England for more land,  
The actions taken were totally absurd  
But the Americans had to take a stand.  
The Monroe Doctrine meant "hands off"  
To all conquering foreign powers,  
Towards America no country would scoff  
For Americans were not cowards.

Who can forget the war with Mexico  
Which gave us more land for annexation,  
Many Americans died at the Alamo  
To add Arizona and Texas to this nation.

In 1861 our nation experienced a Civil War  
Which was fought to free the slaves in the South,  
Through this episode we opened a new door  
That words of freedom would travel by mouth.

The Homestead Act was passed in 1862  
In order to colonize the West,  
The number who moved were not few  
And every individual did his best.

The Emancipation Proclamation went into effect in 1863  
With Abraham Lincoln as its designer,  
"We want to be free," was the Negroes plea  
To live a life that is much finer.

In 1865 President Lincoln was assassinated  
To which the entire nation did mourn.

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Under him, the Civil War dissipated  
For keeping this nation together is what he had sworn.

In 1866 Congress passed the Civil Rights Bill  
Which granted equality to the Negroes,  
They now lived with their own free will  
For white men did not want to be their foes.

In 1898 we witnessed the Spanish-American War  
Which brought Teddy Roosevelt and his Rough Riders to arms,  
A letter was written by DeLome, Spain's ambassador

About our President and it surely lacked all charms.  
In 1914 the Panama Canal was open  
Which linked East and West coasts shipping  
With this piece of land broken  
Our country's trade would have a new beginning.

In 1917 the U.S. entered World War I  
For our shipping rights were being ignored,  
After a year of anguish, we finally won,  
As a result our image as a world power soared.

The Depression years were no fun  
As we could see by the long bread lines,  
But Franklin D. Roosevelt changed the outcome  
For his WPA program turned the times.

We entered World War II on December 8, 1941  
After some of our ships at Pearl Harbor were sunk,

God bless our men whose lives were done  
And those who survived had plenty of spunk.  
The Axis powers were later conquered  
For their military structures failed,  
Their pleas of mercy the United States heard  
And our compassion again prevailed.

In 1945 the United Nations received its charter  
With the U.S. as an influential affiliate,  
Its organizers couldn't have created anything smarter

For all international crises it was to omit.

NATO and the Truman Doctrine were vital  
For they kept the free world from aggression,

Peace through unity for all was its title

And so we had to organize protection.

The Communists tried to overrun Korea  
Which is when the U.S. lent a helping hand,  
To preserve the nation's liberty was the idea  
And so we sent MacArthur to that land.

In 1957 the Eisenhower Doctrine went into effect

Which many people are grateful for,  
The Middle Eastern countries were militarily checked

And so the United States acted as a counselor.

We sent America's first man into space  
Under President Kennedy's Administration,  
This was just the beginning of the "race"  
And it was an important event for our nation.

We remember John F. Kennedy quite well  
For he died a martyr to his country,  
This tragedy no one could foretell  
But aid to other nations he did guarantee.

Today we have such great men as Henry Kissinger

Who tries to bring peace to the world,  
The U.S. sends him as a goodwill messenger  
And towards each nation his peace talks are whirled.

Although time has continually marched on  
The government's concern about the people still endures,

The hard work that our forefathers had undergone  
Today our government still insures.

Since 1976 is our Bicentennial year  
We recollect all the events our nation endured.

Our nation was once a young frontier  
As a great world power we have matured.

We do appreciate our freedom today  
For our founding fathers toiled so hard,  
Because of them posterity was not led astray  
And our heritage we do not disregard.

The time has now come to face reality  
For we have learned from the past,  
We can now avoid many a catastrophe  
For this country's wisdom is unsurpassed.

Freedom in this nation is world-renown  
Which includes religion, speech, and justice,  
Towards education and public elections no one could frown  
For these and all freedoms do receive special emphasis.

In pursuit of freedom our country was formed  
So that someday this would be a great land,  
Today is the result of a democracy being performed  
For in this nation every race, creed, and color walk hand-in-hand.

America has done much for its inhabitants  
And now it's time for it to be repaid.  
We shall never leave our duties to any chance  
For what we owe to it cannot be weighed.

## HAPPY BIRTHDAY AMERICA

Happy birthday, America! We're proud of you!  
With your flag of red, white, and blue;  
All our hopes and prayers being a must.  
One thing for sure, in God is our trust.

## A REVIEW OF WIRETAP ORDERS IN NEW YORK STATE

## HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. KOCH. Mr. Speaker, as a result of recent disclosures concerning the FBI, the CIA and a whole host of other intelligence gathering agencies on the Federal level, great interest has been evidenced by the public concerning wiretaps. An excellent article by Nelson Seitel, secretary of the New York Law Journal appeared in the May 14 issue of that newspaper concerning wiretap orders in the State of New York, with a reference to the State of New Jersey. I believe the information in that article will be of great interest to those who are concerned with the extensive use of wiretaps in the Nation.

The article follows:

NEW JERSEY RANKS FIRST IN VOLUME; SHARP DROP IN WIRETAP ORDERS REPORTED IN STATE AND CITY

(By Nelson Seitel)

The use of court-approved wiretapping and other electronic surveillance as instruments of law enforcement declined in 1975 compared to their use in 1974, according to the Eighth Annual Report of the Administrative Office of the United States Courts. A total of 701 intercept applications were approved by judges in 1975, a 4 percent decline from the 728 applications granted in 1974,

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the report stated. Federal orders declined by 11 percent, from 121 in 1974 to 108 in 1975. State authorizations declined by 2 percent, from 607 in 1974 to 593 in 1975.

The steepest decline in intercept applications granted occurred in New York State, where 192 such orders were granted in 1975 compared with 305 in 1974, a decrease of 37 percent. However, New York ranked second only to New Jersey among the twenty-four jurisdictions with statutes authorizing interception of wire or oral communications. In New Jersey, judges granted 196 applications.

The steep decline in intercept orders granted in New York State is a reflection of the decrease in such applications in New York City where only ninety-one such orders were issued in 1975 compared with 191 in 1974. With the exception of District Attorney Robert M. Morgenthau of New York County all prosecutorial offices in New York City, including the office of Special State Prosecutor Maurice Nadjari, made fewer applications for intercept orders in 1975 than they did in 1974.

Thus, in Kings County, District Attorney Eugene Gold filed only nineteen applications, thirty-eight fewer than in 1974. Bronx District Attorney Mario Merola filed thirteen applications last year as against forty-two in 1974.

In Queens, District Attorney Nicholas Ferraro filed eleven applications in 1975 as against twenty-six in the preceding year. No applications were made last year in Richmond County where there were fifteen in 1975. The number of applications filed by Special Prosecutor Nadjari dropped from thirty-two in 1974 to eleven in 1975.

In Manhattan, District Attorney Morgenthau filed thirty-eight applications in 1975 as against eighteen in 1974. However, one of these was denied by Acting Supreme Court Justice Norman B. Fiter, one of only three applications denied in all jurisdictions in 1975.

The number of installations approved in New York City and in the suburban counties of Nassau, Suffolk and Westchester, together with the number of arrests and convictions resulting from such installations in 1975, is set forth in the following figures of installations, arrests and conviction in that order:

Nadjari: 11-1-0.  
Bronx: 13-18-0.  
Kings: 19-98-1.  
Queens: 11-55-16.  
Manhattan: 37-35-8.  
Richmond: 0-0-0.  
Nassau: 27-125-1.  
Suffolk: 15-69-3.  
Westchester: 10-41-16.

With respect to Federal courts in the area, three intercept installations were authorized in the Southern District and two in the Eastern District. No arrests or convictions were reported with respect to any of those installations.

Since many wiretap and surveillance orders are related to large-scale criminal investigations, arrests and convictions resulting from wire and oral interceptions frequently do not occur in the same year that such installations are approved. Thus, in 1975 in all jurisdictions were 1,915 arrests and 2,129 convictions reported as a result of authorized intercepts completed in prior years. As the result of such installations in prior years in New York City, in 1975 there were thirty additional convictions in the Bronx, twenty-two in Brooklyn, twenty-seven in Queens, and two by the Office of Special Prosecutor.

While the average cost of an installation is \$8,000, the costliest installation was used in Queens where it amounted to \$89,285. That installation was in operation for fifty-nine days and involved 2,341 intercepts, of which 195 were described as "incriminating" and

which resulted in twenty-seven persons arrested and five convictions.

Intercept installations were authorized by the wiretapping and electronic surveillance provisions of the Omnibus Crime Control and Safe Street Act of 1968. Under the law prosecutors seeking intercept orders, and judges before whom applications are made are required to report details of the application to the Administrative Office of the United States Courts.

From then through Dec. 31, 1975, a total of 4,467 applications were granted throughout the country, resulting in 19,690 arrests and 8,881 convictions. The crime most frequently cited by prosecutors in their applications was gambling, followed closely by narcotics. The crime most frequently cited in applications made by Special Prosecutor Nadjari was bribery.

The district attorneys in New York City ascribe different reasons for the decline in their use of wiretapping and other electronic surveillance. Kings District Attorney Gold and Thomas B. Sullivan, Richmond's prosecutor, say it is because of changes in the character of criminal investigations by their staffs.

Queens District Attorney Ferraro said that "in light of disclosures of irregularities by the FBI and CIA," his office has established new procedures "to avoid the installation of frivolous wiretaps simply because they are requested by the Police Department."

In the Bronx, DA Merola, who in past years used wiretapping extensively in investigations of major dealers in narcotics, said that those dealers have shifted operations from the Bronx to New Jersey so there are fewer occasions for his office to use wiretapping.

#### WHAT MEMORIAL DAY MEANS TO ME

#### HON. JOHN G. FARY

OF ILLINOIS

#### IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

**Mr. FARY.** Mr. Speaker, Memorial Day when I was a boy meant parades to the cemetery by members of the Grand Army of the Republic, the "boys in blue," surviving veterans of the Civil War. Not one of those marchers is alive today. They have long since joined their comrades who fell in battle or who preceded them in death.

I remember when the GAR and Spanish War veterans were first accompanied in Memorial Day parades and grave decoration ceremonies by a new group of surviving veterans, the men of World War I's American Expeditionary Force. The ranks of World War I veterans, men who were young and vigorous when I first saw them on long-ago Memorial Days after the Armistice, are now sadly diminished, and those still with us are all very old, not many of them up to Memorial Day observances anymore.

Nowadays, Memorial Day parades and ceremonies are manned by far-from-young World War II veterans, no-longer-young Korean war veterans, and still-young Vietnam war veterans, assembled to honor the memory of the men with whom they fought.

At Memorial Day ceremonies there have always been family members present to whom the loss of a loved one is a grief ever-fresh, a tragedy never to be forgotten. They experience on these oc-

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casions overwhelming emotions which neither they nor I can describe.

Memorial Day is perhaps the saddest of all of our patriotic observances. Yet amid the sorrowful thoughts and ceremonies of Memorial Day we cannot fail to be aware of the season of the year in which we find ourselves. It may seem ironical that we offer our prayers for those who have fallen in defense of our Nation at a time of year when it is indeed a joy to be alive. Our own joy in living during the beauty of springtime means that our gratitude to those who fought and died that we might be free is enhanced and deepened.

In a springtime now more than a century past, our Memorial Day traditions began with the decoration of the graves of both Confederate and Union dead by generous-hearted women whose husbands, fathers, and brothers had made the supreme sacrifice. During our own Memorial Day season this year, we may want to recall something of the history of this serious, even solemn, holiday.

In January of 1866, a Ladies Memorial Association was organized in Columbus, Ga., whose purpose was the care of Confederate graves. April 26 was proposed as a day to be devoted to an annual commemorative ceremony and the decoration of gravesites. This date was the anniversary of the surrender of Gen. Joseph E. Johnston. A letter suggesting that there be a general observance on this day was sent out on March 12, 1866, to newspapers and women's groups, and the observance that took place in Columbus received wide attention.

At about the same time, in another town that by coincidence also happened to be named Columbus, similar plans were being made. A group of Columbus, Miss., women decided to decorate soldiers' graves each year on April 25. A procession was held on that day in 1866; flowers were borne to the cemetery where the ceremonies included a memorial address and a prayer, as well as decoration of the graves.

A local newspaper's comment on the ceremony was as follows:

We were glad to see that no distinction was made between our own dead and about forty Federal soldiers, who slept their last sleep by them. It proved the exalted, unselfish tone of the female character. Confederate and Federal, once enemies, now friends—received this tribute of respect.

In Carbondale, Ill., on April 29, 1866, there was an all-day observance which included the decoration of some 40 Union graves and an address by Gen. John A. Logan.

The Carbondale ceremonies must have been in Logan's thoughts when, as the first Commander in Chief of the Grand Army of the Republic, the major organization of Union veterans he issued to GAR on May 5, 1868, General Order No. 11 providing for a nationwide observance for "First Memorial Day":

GENERAL LOGAN'S ORDER FOR FIRST MEMORIAL DAY

GENERAL ORDER NO. 11

HEADQUARTERS,  
GRAND ARMY OF THE REPUBLIC,  
Washington, D.C., May 5, 1868.

The 30th day of May, 1868, is designated for the purpose of strewing with flowers or

otherwise decorating the graves of comrades who died in defense of their country during the late rebellion and those bodies lie in almost every city, village and hamlet church yard in the land. In this observance no form or ceremony is prescribed, but posts and comrades will in their own way arrange such fitting services and testimonials of respect as circumstances may permit.

We are organized, comrades, as our regulations tell us, for the purpose among other things "Of preserving and strengthening those kind fraternal feelings which have bound together soldiers, sailors and marines, who united to suppress the late rebellion." What can add more to assure this result than by cherishing tenderly the memory of our heroic dead, who made their breasts a barricade between our country and its foes? Their soldier lives were the revelle of freedom to a race in chains and their deaths a tattoo of rebellious tyranny in arms. We should guard their graves with sacred vigilance. All that the concentrated wealth and taste of the nation can add to their adornment and security is but a fitting tribute to the memory of her slain defenders. Let no wanton foot tread rudely on such hallowed grounds. Let pleasant paths invite the coming and going of reverent visitors and fond mourners. Let no vandalism of avarice or neglect, no ravages of time testify to the present or to the coming generations that we have forgotten as a people the cost of a free and undivided republic.

If other eyes grow dull and other hands slack, and other hearts cold in the solemn trust, ours shall keep it well as long as the light and warmth of life remains to us.

Let us then, at the time appointed, gather around their sacred remains and garland the passionless mounds above them with the choicest flowers of springtime; let us raise above them the dear old flag they saved from dishonor; let us in their solemn presence renew our pledges to aid and assist those whom they have left among us a sacred charge upon the nation's gratitude—the soldier's and sailor's widow and orphan.

## II

It is the purpose of the Commander in Chief to inaugurate this observance with the hope that it will be kept up from year to year, while a survivor of the war remains to honor the memory of his departed comrades. He earnestly desires the public to call attention to this order, and lend its friendly aid in bringing it to the notice of Comrades in all parts of the country in time for simultaneous compliance therewith.

## III

Department commanders will use every effort to make this order effective. By command of

JOHN A. LOGAN,  
Commander in Chief.

The date was chosen, not as an anniversary of historical significance, but so that all over the country there might be flowers blooming that could be used for decorating the many graves.

Since those days after the Civil War, there have been more terrible wars in which the young and the brave have died in the defense of freedom and their country. Now there are veterans' graves to be decorated from the Spanish-American War, the two World Wars, the Korean war, and the Vietnam war.

In thousands of cemeteries throughout the country and overseas, Memorial Day ceremonies will mark an acknowledgement of lasting indebtedness owed by the living to the dead.

One such cemetery, a U.S. military

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cemetery, is on the heights above what was once Omaha Beach in Normandy, France. Even at this season of the year, a cold gray mist often rolls off the English Channel and shrouds the graves. At times, the two American flags atop tall flagstaffs are barely visible through the mist and fog.

Beneath the twin flags stand row upon row of white crosses that extend almost from sight in the distance. There is a deep silence, broken only by the sound of the surf rolling onto the beach below; mist, fog, crosses, silence, and the graves of the American war dead.

Memorial Day in the springtime brings the promise of summer just ahead, of vacations, of family outings, of laughter and joy and happiness. But not on the mist-shrouded heights above Omaha Beach.

All such things and life itself came to a tragic end for those resting here. For these men in the prime of their lives, there was an unsaid final farewell to the mothers and fathers who loved them so dearly, to the friends of boyhood and youth and young manhood, to sweethearts and wives, to beloved children. There was an end to plans, to dreams, to hopes, and to joys; there was an end to life itself, an end which came decades too soon.

In that cemetery at Saint-Laurent-sur-Mer, France, 9,386 Americans lie buried. Saint-Laurent-sur-Mer is only one of 22 such American military cemeteries on foreign soil. There are 30 pairs of brothers buried side by side in Saint-Laurent-sur-Mer. A father and his son lie together. There are infantrymen, engineers, artillerymen, and airmen. The names of 1,557 American are inscribed on a wall in what is called the Garden of the Missing. An inscription on that wall reads: "This is their memorial, the whole Earth is their sepulchre."

Long years ago, a Justice of the Supreme Court of the United States, Oliver Wendell Holmes, a thrice-wounded veteran of many battles of the Civil War, spoke as follows of the meaning of Memorial Day:

To the inquirer who asks why Memorial Day is kept up, we may answer that it celebrates and solemnly reaffirms from year to year a national act of enthusiasm and faith. It embodies in the most impressive form our belief that to act with enthusiasm and faith is the condition of acting greatly. To fight out a war, you must believe something and want something with all your might. So must you do to carry anything else to an end worth reaching. More than that, you must be willing to commit yourself to a course, perhaps a long and hard one, without being able to foresee exactly where you will come out. All that is required of you is that you should go somewhere as hard as ever you can. The rest belongs to fate. One may fall, at the beginning of the charge or at the top of the earthworks; but in no other way can he reach the rewards of victory.

These words were spoken on Memorial Day in 1884. Their application to our own time is clear. On this Memorial Day let us rededicate ourselves to the traditions of freedom and liberty in whose defense so many precious lives were lost.

## INFLATION—IT WILL NOT GO AWAY!

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. LEGGETT. Mr. Speaker, I spoke to the House recently about my concern that the problem of renewed inflation might come upon us while we were not watching. I noted the strange turnaround in administration thinking in this area—from its great obsession of a year ago with the inflationary dangers of a stimulative fiscal policy, to a seeming indifference to wage and price advances which may herald a new round of inflation. I believe we need comprehensive wage-price guideposts now, while the recovery is proceeding at a moderate pace and there is still slack in the system.

Others are also sounding this warning. Hobart Rowen pointed out in a recent column that, with the recovery proceeding at a moderate but solid pace, the "big imponderable ahead may be the course of prices."

Both Government economists and private forecasters are also echoing these warnings in various forms. Their words, as reported in a recent *Wall Street Journal* article, belie the campaign claim of President Ford that his administration has reduced inflation by 75 percent—from a 12 percent rate 2 years ago to "under 3 percent" today.

As I said earlier, the first quarter respite from inflation, which was the result of actual declines in food and fuel prices, simply cannot be expected to continue. Both Government and private forecasters are saying that, with food and fuels back on an upward trend, it is going to be increasingly difficult to keep prices in check. The recent spurt in wholesale prices, led by food increases—an annual rate of increase of 9.6 percent in April—may be a harbinger of what we have to face. Another factor which we cannot ignore is the trend in profits. Corporate profits before taxes rose at a seasonally adjusted annual rate of 28 percent in the first quarter of 1976. Big jumps in profits usually precipitate equally large demands for wage increases, so it is clear that the trend in profits may also be a portent of coming difficulties.

Let me give you some examples of what is currently being said on the overall matter of inflation. Federal Reserve Board Chairman Arthur Burns thinks the basic, underlying rate of increase in prices is an ominous 6 to 7 percent. Moreover, he is worried that inflation will further intensify in the coming months. And one of the Nation's leading business economists, Michael Evans of Chase Econometric Associates, takes an even more pessimistic view—that inflation will get worse by midyear and may climb to a rate of 10 percent or more by the end of 1977.

It is interesting to note that Mr. Ford's chief advisers appear to be rejecting these warnings. White House economist William Seidman thinks we will end up this year with less than the projected

## EXTENSIONS OF REMARKS

rate of price increase of 5.9 percent. Moreover, CEA Chairman Alan Greenspan sees "no evidence" that inflation is now getting worse. He sees a danger in "crying wolf" too soon, but he does admit that the threat of inflation still exists.

The economic picture looks far from perfect, even apart from the matter of inflation. Unemployment is still well above 7 percent and is not coming down rapidly enough to suit me. The budget resolution we recently adopted, however, is designed to reduce the unemployment rate to 7 percent by the end of this year and 6 percent by the end of 1977. And the condition of the economy is much better than it was at the first of the year—better, in fact than most people were projecting.

Is inflation then, as Mr. Rowen terms it, the "coming problem"? He points to raw materials prices as an indicator of potential trouble. Wholesale metals prices, for example, have experienced big increases which are working their way through the system and will certainly have an effect on consumer prices. And perhaps the more fundamental question, which I posed earlier, is whether a series of wage increases far in excess of productivity gains will itself push us into a new round of inflation.

It appears that the response of Arthur Burns is likely to be to deal with the latest inflationary pressure by reducing monetary growth targets. And Paul Volcker, president of the Federal Reserve Bank of New York, has made this view much more explicit, according to a recent report in the Washington Post. Mr. Volcker thinks our inflation rate "remains unacceptably high," and that the recovery is "vulnerable to a resurgence of inflationary expectations." His solution, however, about which I am dubious, is a "gradual reduction in the average rate of money growth from recent experience and current targets."

In my view, we must carefully consider whether this is the time to clamp down once again on the Nation's money markets. I urge Chairman Burns and the Fed to refrain from excessive restraint on the money supply, for we do not need a return to the reign of tight money and high interest rates. I endorse the views expressed by Budget Committee Chairman Adams in his recent letter to Mr. Burns calling on the Fed to coordinate fiscal and monetary policy so there is a reasonable chance to achieve the economic goals which the Congress has established for the Nation.

We certainly do not need unchecked growth in the money supply. But neither do we need another dose of the old remedy of cuts in government spending along with clamps on monetary growth combined with high interest rates. In my estimation, the effect of that would be to nip the recovery in the bud.

In fact, as I have been saying for some time, if we want to pursue policies designed to continue the recovery while at the same time preventing a resurgence of inflation, we ought to establish a comprehensive program of controls or guidelines on wages, prices, rents and interest. All must be controlled in some measure if we are to provide equity to all sectors

of the population. We cannot, for example, expect labor to adhere to guide posts unless we also do something about the surge in rents that is expected later this year. The same principle follows for other parts of the economy as well.

Let me conclude by repeating my warning of 2 weeks ago. We must not allow election year inhibitions to prevent us from confronting both labor and management with the need to follow noninflationary guidelines. And beyond that, let us not permit the case for wage-price controls to continue being the "unmentionable topic" in economic policy.

At this point I would like to include in the RECORD the articles from the New York Times and the Wall Street Journal that I referred to earlier:

[From the Washington Post, May 12, 1976]

#### THE COMING PROBLEM OF INFLATION

(By Hobart Rowen)

Economic recovery has been moving along at a fast pace, and has now reached a point where it can properly be called an expansion. Not a boom, mind you, but a solid expansion.

No one takes greater satisfaction in the fast step-up in economic activity and the sharp step-down in the rate of inflation than Federal Reserve Board Chairman Arthur F. Burns.

Burns was not at all immodest in testimony before the House Banking Committee a few days ago in claiming that the Federal Reserve is entitled to a good deal of credit. The Fed stubbornly resisted demands last year that a faster rate of monetary growth was needed to stimulate recovery.

It is hard to argue with him. Burns and the Fed were right, and almost everybody else was wrong. Even Ford administration officials, who feared at the beginning of 1976 that money supply growth was too low, are ready to admit that on this one Dr. Burns called the turn.

On the basis of past performance, Burns' forecast for what lies ahead deserves close attention. He predicts, first of all, no letup as yet" in the pace of expansion.

Financial market conditions remain favorable for a continuing upturn, he says. Interest rates have been edging down, even for mortgage loans, which is a fillip for the still depressed homebuilding industry.

Banks have been lowering the prime lending rate, with the First National City Bank dropping its charge to best customers to 6.5 per cent. That's a far cry from the peak of 12 per cent in mid-1974, and should encourage business borrowing.

Meanwhile, the Fed chairman notes, stock market prices have soared, which not only makes everybody feel better, but makes it easier for companies to raise funds, or build "equity cushions."

Even the banks that got over-extended in the 1970s, permitting "their financial condition to deteriorate," are in better shape and have been giving "greater attention to prudent management," Burns assures us.

Consumer confidence, evidenced by a faster pace in the sales of autos and other goods, has improved. And there are signs of a "quicken tempo" of activity in the sluggish capital goods industry.

It is not a perfect economic picture that the cautious Arthur Burns sketches. The unemployment rate looks uncomfortably static at 7.5 per cent. But the general condition of the economy is considerably better than it was just a few months ago, and much perkier than anyone thought it would be at this stage.

Private economists agree with Burns. "So far," says economist Beryl Sprinkel of the Harris Bank and Trust Co. of Chicago, "it's

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a moderate recovery. The rise is somewhat slower than the recovery from the 1957-58 downturn, and I'm glad it is."

Otto Eckstein of Data Resources Inc., agrees with Burns that recovery is solid. In fact, he predicts that the first quarter real GNP growth rate of 7.5 per cent assures significant additional gains for the rest of the year, with 6.9 per cent for 1976 as a whole.

Jimmy Carter's chief economic adviser, Lawrence R. Klein of the Wharton School, sticks to a 6.2 per cent real GNP forecast for this year, but sees a much faster recovery in jobs, with consequent added pressure on prices.

Thus, the big imponderable ahead may be the course of prices. No one seems to believe that the extremely low annual inflation rate of the first quarter (around 3 per cent) can last very long.

Sensitive raw materials prices have been creeping upward. In the absence of any meaningful government policy on wages and prices, big increases in wholesale metals prices are now working their way through the system, and will be reflected later in consumers' goods prices.

Burns decided, as a matter of insurance, to try to nudge latent inflationary pressures down by reducing monetary growth targets a fraction. This may or may not make an actual difference, as experience both in this country and West Germany shows.

The way the economy is acting suggests that one bread-and-butter issue for the Democrats in the fall may be an inflationary bubble. True, it's not going to be a double-digit nightmare. But as the administration has made clear about unemployment, it's not the level but the trend that counts.

[From the Wall Street Journal, May 12, 1976]

#### INFLATION AT HOME—FEDERAL ECONOMISTS

FEAR SHARPER INCREASE IN PRICES BY

YEAR-END

(By Richard J. Levine)

WASHINGTON—Out on the rocky campaign trail, President Ford has been touting his success in the battle against raising prices. The administration, he tells audiences, has reduced the annual inflation rate from 12% two years ago to "under 3%" today.

"We've cut inflation 75%," he proudly proclaims.

That presidential punch line makes some of Mr. Ford's economic advisers wince. They now have seen one closely watched inflation indicator, the wholesale price index, spurt after an unusual spell of calm. Although its annual rate of increase in April—9.6%—won't necessarily continue, government economists do fear further big jumps in coming months. Recently announced price increases in metals and gasoline have yet to show up in the wholesale index.

And when the consumer price index for April comes out later this month, its reading also may indicate that the respite from inflation is ending; in the first quarter of 1976, when food and fuel prices were declining, the retail index rose at an annual rate of only 2.9%.

#### AMMUNITION ON THE WAY?

Government economists don't expect a return to double-digit inflation any time soon. But there is growing concern that food and fuel prices are back on an upward track and that the economic recovery may be accelerating a bit too fast. By year-end, some fear, consumer prices could be rising at an annual rate as high as 7%, more than double the recent rate of climb.

"The price side is going to start falling apart," a White House economist worries. "I think the Democratic nominee will have some pretty good inflation ammunition by August."

Chairman Arthur Burns of the Federal Reserve Board, who believes that the economy's

underlying inflation rate is a troublesome 6% to 7%, sternly warns that "the menace of inflation is still with us." He expresses fear that it may intensify.

Two of the nation's top business forecasters also see trouble ahead. Otto Eckstein, president of Data Resources Inc., says that persistent price inflation "will keep wage demands high" and that "business, wary of recurring shortages, could start hoarding materials again, helping to create conditions that led to the last recession." Michael Evans of Chase Econometric Associates, perhaps the most pessimistic private analyst, predicts that "inflation will take a sharp turn for the worse by midyear" and probably return to 10% or more by the end of 1977.

#### GREENSPAN'S VIEWS

Whether things really become that grim or not, private and government forecasters agree that in the months to come, it will be more difficult—and more urgent—to keep inflation in check. "The name of the game isn't stabilizing prices in the first part of an economic recovery," a high Treasury official says. "What's important is to be able to contain price pressures during a period of expansion."

Not everybody in government is dubious about success. Both Alan Greenspan, chairman of the Council of Economic Advisers, and L. William Seidman, assistant to the President for economic affairs, remain more hopeful than most.

While it won't be possible to maintain the "sensational" first quarter performance, Mr. Seidman says, "I'm optimistic that we'll end up below our actual inflation forecast, which was for a 5.9% increase" in the consumer price index this year. Despite recent increases in metals prices and cattle prices, Mr. Greenspan sees "no evidence" that inflation is getting out of hand again. "There is a danger in crying wolf too soon," he says. "The threat of inflation still exists, but you've got to distinguish between the real signals and the false signals."

#### "LOOKING FOR THE WOLF"

The real signals of a major inflationary outburst, in the Greenspan view, would be a sharp sustained growth in the nation's money supply, rapid acceleration of wage settlements, mounting demand for credit and rising interest rates. "Then you get worried and start looking for the wolf," he declares.

But White House men are already worried, rightly or wrongly, about another possible inflationary force they detect building up on Capitol Hill: increased government spending. This inflation fear seems sure to trigger presidential vetoes of bills that would push spending significantly above Mr. Ford's \$396 billion target for the fiscal year that begins Oct. 1. The President's promise the other day of "more and more vetoes," a White House aide says, is not only good politics but also good economics.

The most immediate reason for expectations of a price spurt is the growing evidence that the recent declines in food and fuel are over. The 2.9% consumer price increase in the first "quarter—the narrowest rise in nearly four years—reflected the effects of a 2% decline in food prices and a 2.1% drop in energy prices.

The coming bad news at the supermarket will be found partly in higher price tags on beef. Cattle prices have risen since mid-March as supplies have tightened. Now wholesale beef prices are already rising, and an increase in retail prices is expected to follow.

True, Agriculture Secretary Earl Butz predicts that retail food prices in 1976 will average only 3% to 4% higher than last year; they rose 8.5% in 1975 and 14.4% in 1974. But some government analysts believe that Mr. Butz is overly optimistic; increases in food prices were largely to blame for the

April jump in the wholesale price index. And the Agriculture Secretary himself concedes that his bright forecast is dependent on good weather that would assure bumper corn and wheat crops.

Even if Mr. Butz's prediction is accurate, retail food prices could be increasing at an annual rate of 6% or more late in the year. And because the cost of food affects consumer attitudes so deeply, government officials are worried that rising supermarket prices in the second half of the year could rekindle a general inflationary psychology.

"If you could just keep prices down for another three months or so, it would be marvelous," a Commerce Department official says. "People would actually begin believing prices are quiescent. But I don't see how you're going to do it."

If the recently laggard food and fuel prices are stripped out of the consumer index, a worrisome inflation picture emerges. According to Federal Reserve Board economists, the index minus these components rose at a vigorous 7.7% annual rate in the first quarter, up from 7.1% in the preceding quarter and 5.8% in the third quarter of 1975. The recent price push came largely in services of various kinds, in clothing and in used cars.

Especially troubling to some analysts are persistent, strong increases in charges for such services as medical care, insurance and utilities. One reason for this price pressure, say economists at Citibank in New York, is that "to some extent retailers can raise prices of services with less fear of suffering a loss in revenue due to a retaliatory drop in consumer demand."

The President's Council on Wage and Price Stability recently declared that rising health-care costs now constitute "a major public policy problem facing the nation." Because they have outpaced increases in other consumer services in the past decade, the council says, "Americans on the average now are spending 10% of their income for health care." Medical costs, which rose at a 14% annual rate in this year's first quarter, "are expected to rise sharply for the foreseeable future," the council says.

Government analysts also see significant increases coming in rents. "Rents have got to go up faster if we're going to give builders some incentive" to put up more multifamily housing, one official says.

And, though consumers won't feel the difference right away, prices of many products will sooner or later begin to reflect recent increases in such basic industrial materials as steel, copper and aluminum.

Still, many Washington analysts agree with an assessment by Mr. Greenspan that the increases in metal prices result mainly from the pickup in demand brought by the business recovery and don't signal a "big surge" in prices throughout the economy. "There's always the possibility these could get out of hand and trigger other things," he says. "But at this point, there's no evidence of it."

As he reviews the general inflation picture, Herman Liebling, the Treasury's top staff economist, says, "It's fortunate that we are getting productivity increases that can absorb some of the price pressure that is developing all around us."

Indeed, productivity, or output per hour of work, in private employment rose at a 4.6% annual rate in the first quarter, helping to lessen the inflationary impact of wage increases and to keep the rise in unit labor costs down to 3.7%. Moreover, while productivity gains tend to come more slowly as business recovery continues, government economists expect good productivity figures the rest of the year.

At the same time, administration inflation fighters are keeping wary eyes on this year's wage negotiations, with their potential for fueling inflation fires.

The year's first big test, the talks between

the Teamsters union and the trucking industry, produced an agreement calling for a 9.1% wage rise in the first year. That was somewhat higher than the Council of Economic Advisers would have preferred. And Robert Crandall, assistant director of the wage-price council, is concerned about the possible inflationary impact of the contract's unlimited cost-of-living adjustment clause. In addition, the United Rubber Workers' strike against the Big Four tire makers is expected to produce a costly settlement.

But Mr. Greenspan is generally satisfied with the wage situation so far. Nothing that the index of hourly earnings for nonfarm production workers rose only 7.2% during the year ended in March, Mr. Greenspan concludes, "You don't have any great wage-cost pressure."

Perhaps the two biggest imponderables affecting the inflation outlook for next year and beyond are the adequacy of industrial capacity at home and the pace of economic recovery abroad.

The experts are divided on whether continuing recovery will catch U.S. manufacturers short of plant and equipment, with bottlenecks resulting. At the heart of this debate are concerns voiced by Mr. Evans of Chase Econometrics, who looks for possible shortage in aluminum and steel. In aluminum, he says, production is likely to press against maximum capacity next year. In steel, he sees "if not outright shortages . . . at least increases in inflation which are well above the average rate for the economy."

Officials at the Council of Economic Advisers and the Office of Management and Budget tend to view Mr. Evans as alarmist. But other authorities are less certain.

Federal Reserve Chairman Burns told Congress recently, "I wouldn't be surprised if a year or a year and a half from now, we find there's a shortage of capacity in some of our raw-materials-producing industries." And Edgar Speer, chairman of U.S. Steel Corp., has said his "guess" is that "in the latter half of 1976 and probably throughout 1977 . . . we are going to once again experience a shortage of steel similar to that in the 1973-1974 period."

As they turn to events overseas, some government and private analysts find that the simultaneous business recoveries in Japan, West Germany and other industrial countries add up to further inflation danger. If these trends continue in unison, "then world-wide industrial production will press on available supplies of raw materials by 1977," says Nell McMullen of the National Planning Association, a private research group.

#### B'NAI B'RITH GUARDIAN OF THE MENORAH TRIBUTE BANQUET TO HONOR MR. AARON GROSSMAN OF YOUNGSTOWN, OHIO

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. CARNEY. Mr. Speaker, on Sunday, June 13, 1976, Mr. Aaron Grossman will be honored at the guardian of the Menorah Testimonial Dinner for B'nai B'rith youth services in Youngstown, Ohio.

Mr. Grossman was born and raised in Youngstown; he attended South High School and Youngstown State University. A former member and past president of the Sigmund Nisenson A.Z.A. Chapter, he later became adviser of the group, serving in that capacity for 12

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years. Upon retiring from his role as an active adviser, he was elected a life-time adviser.

Aaron Grossman has served as president of Mahoning Lodge No. 339, B'nai B'rith, and was later elected a member of the board of governors and a vice president of District Grand Lodge No. 2. For 10 years, he served as a member of the International B'nai B'rith Youth Commission, and he is currently beginning his third term as a vice chairman of that commission. In addition, he has been chairman of the District 2 B'nai B'rith Youth Council. One of the founders of the Kent State University Hillel Advisory Board, Mr. Grossman served as its chairman for two terms as well. Because of his work with youth, the Governor of Ohio appointed him to the Ohio Youth Commission.

Aaron Grossman's other activities include: past president of the former Temple Emanu-El Congregation, past president of the Girard-Liberty Kiwanis Club, vice president of the Jewish Community Center, member of the board of governors of Youngstown Israel Bonds, member of the board of governors of International B'nai B'rith, and member of the Ohio Kentucky Region of the Anti-Defamation League.

Mr. Grossman is associated with Consolidated Steel Co., well-known scrap dealers, of which he is a vice president, and with Kinray Industries, Inc., of Youngstown. He has four children: Dr. David Grossman, who is married to the former Cynthia VanTell; Richard Milton, who is with the Tektronix Corp. in Portland, Oreg.; Kurt Leslie, who is majoring in electrical engineering at the University of Cincinnati, and Lori Ann, who is a student at Youngstown State University.

Mr. Speaker, Aaron Grossman is a distinguished citizen of our community. It is altogether fitting and proper that he be honored by the Youngstown Guardian of the Menorah. When his family and many friends join together at the testimonial dinner in his honor, I hope to be on the dais to bring my personal greetings and congratulations to Aaron for his many outstanding achievements.

## TURKISH ATROCITIES CONTINUE ON CYPRUS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. BIAGGI. Mr. Speaker, I wish to bring to the attention of my colleagues an article which appeared in the May 8 edition of the *Toronto Star* which discusses Turkish destruction and desecration of Greek Cypriot churches on the occupied northern end of Cyprus.

The article actually discusses two issues, one is the atrocities themselves, the other was the attempt to cover up the report by UNESCO. However the author of the report, Jacques Dalibard a Canadian writer did manage to disclose some very startling facts. Included was widespread desecration of churches, grave-

yards, and mosques. In the words of the author of the newsstory:

The vandalism and desecration are so methodical and so widespread that they amount to institutionalized obliteration of everything sacred to a Greek.

These deplorable actions cannot do anything but further postpone the prospects for peace on Cyprus. As it is, Turkey remains in illegal occupation of more than 40 percent of Cyprus. There remain upward of 200,000 homeless and helpless refugees on the island. Fortunately Congress has voted to extend the mandate of my amendment which provided emergency relief aid for the refugees on Cyprus. Yet insufficient progress has been made thus far, thus throwing into question the decision of this Congress last October to lift the arms embargo against Turkey which was done to hasten the road to peace. Both the administration and the Congress have a clear obligation to work with both Turkey and Greece on behalf of peace for Cyprus. At the very least, the actions of Turkey with respect to the desecration of churches and graveyards should be deplored.

Mr. Speaker, I now insert the article "Turks Desecrate Greek-Cypriot Churches," for the consideration of my colleagues:

TURKS DESECRATE GREEK-CYPRIOT CHURCHES  
(By John Fielding)

LONDON.—Almost two years after the Turkish invasion of Cyprus, a report on the looting and vandalism of Greek churches in the occupied north of the island has been suppressed for fear of upsetting both Greeks and Turks.

The 100-page report was prepared for the United Nations Educational, Social and Cultural Organization (UNESCO) by a Canadian, Jacques Dalibard, a world authority on religious works of art.

Because its conclusions were too well documented to be ignored and seemed certain to generate an international storm, UNESCO asked Dalibard to produce a shorter, bowdlerized version.

This second report of only five pages, couched in innocuous terms, was prepared for publication last month. Even then, UNESCO demanded a statement on the cover disclaiming any responsibility for Dalibard's views.

## IN CROSSFIRE

But two weeks ago, Dalibard was caught in the propaganda crossfire between Greeks and Turks over allegations that the Greeks had burned to the ground one of Cyprus's most famous mosques at Peristerona, west of Nicosia.

When Dalibard visited the mosque, found it undamaged and had the temerity to say so, he quickly found all co-operation from the Turkish Cypriot administration withdrawn.

He has returned to his home in Ottawa angry and disillusioned and UNESCO has shelved even his abridged report.

For two weeks this correspondent surreptitiously drove around the occupied areas with a colleague, Martin Smith, avoiding the official escort that accompanies all journalists by leaving the hotel at 6 each morning and returning in time for breakfast.

The vandalism and desecration are so methodical and so widespread that they amount to institutionalized obliteration of everything sacred to a Greek.

The process was perceived by an administration that only two weeks ago was mobilizing international Moslem opinion to protest over the burning of a mosque that is in fact still standing intact.

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In 26 former Greek villages only four churches in the 26 could be described as being in decent condition. Not one graveyard was undesecrated.

## EMPTY CHAPEL

Dhavlos, the north coast village from which every Greek was forcibly removed one night last year, is a particularly repelling example. In the mountains to the south, the chapel of Ayios Demetrios at Ardhania is empty but for the remains of the altar plinth, and that was fouled with human excrement.

At Syngassis, the church interior was smashed beyond recognition, littered with the remains of icons, pews, and beer bottles. The broken crucifix was drenched in urine.

At Lefkonko, the church furniture was piled outside in the rain and half a dozen icons strewn across the rubble in the churchyard.

The church at Piyi was a mass of wrecked furniture, glass, and icons, so was the impressive church at Peristerona a mile away.

Tombs gaped open everywhere. Massive marble slabs weighing several hundred pounds had been tossed aside or broken into tiny fragments.

Rauf Denktash, president of the de facto Turkish federated state of Cyprus, told this correspondent: "I think religious places should be guarded and protected. We are doing our best to protect religious property on our side as far as we can. It means keeping it closed, so that there is no access to the church, and naturally if there is a need for repairs someone has to look after it. The first thing we did was to put locks on the doors or nail them down . . ."

## BATTERED DOORS

But at the tiny Antiphonitis monastery, miles up a path in the fragrant pines of the Pentadaktylos Mountains, the doors were battered in, 11th and 12th Century treasures looted, 15th Century frescoes splattered with asbestos cement, the newer icons smashed, fires had been lit, and the floor was strewn with bottles and filth. Before departing, the Turks chalked the date—March 6, 1975.

## CONSPIRACY OR COINCIDENCE?

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. CLAY. Mr. Speaker, the following article which appeared in the May 24, 1976, edition of the *St. Louis Post-Dispatch* addresses itself to a matter of grave concern to many citizens. I commend it to my colleagues:

## CONSPIRACY AGAINST BLACKS?

(A letter to the *Post-Dispatch* from Representative WILLIAM L. CLAY, St. Louis)

A recent *Post-Dispatch* editorial took issue with me for suggesting that a national conspiracy was afoot to undermine and eliminate outspoken black leadership.

Please tell me what Watergate was all about if it was not—in the final analysis—a crude conspiracy against the American people and their freedoms. If we did not learn this lesson from this terrible experience, then all has been in vain. This brings us to my observation that an organized effort is now in effect to undermine, blackmail or destroy black leadership at every level and at any cost. This policy is articulated and executed through intensive harassment by press and the Government, through intimidation, smear, criminal accusation and investigation.

The perpetrators of this savage scheme appear to be a combination of governmental officials, certain elements of the media and many influential persons in the political life of the nation. While these charges may sound "silly," we can only call attention to the recent report of the Senate Intelligence Committee, headed by Senator Frank Church, following its investigation of the FBI and the CIA. Here we are given a sordid picture of the extent to which FBI Director J. Edgar Hoover went to destroy the late Rev. Dr. Martin Luther King Jr. and other black leaders.

The well-established paranoia of a federal agency and its director on the matter of black leadership in this country should be sufficient cause to ask ourselves whether this institutional nightmare was an isolated effort or if it is more pervasive in governmental life.

The scenario of late takes the form of a series of probes by the media into the political and personal life of the black elected official. Investigative reporters write outlandish articles purporting to be factual exposures of criminal activities. These highly questionable investigations thus become the basis for official government investigations.

After months of innuendoes, quotes from unnamed sources and millions of words in print, the frivolous charges are unceremoniously dropped. But by then, the damage is done. A promising career of a black official is subsequently halted or destroyed, his or her character and integrity are seriously tarnished. The conspirators, thus, have partially succeeded in diluting the credibility and influence of a leader without producing any substantive proof of wrongdoing.

But often, even after the investigations are dropped, the press continues to wage a war of journalistic retribution against the character of the black official.

It is not by coincidence or happenstance that presently a disproportionate percentage of the few blacks elected to public office, who constitute less than 1 per cent of the national total, are being subjected to the most insidious kinds of smear attacks by the American press. The brutal, uncivilized articles against black officials by the media, the overly aggressive, almost fanatical efforts by prosecutors to indict black officials and the constant persecution by the Internal Revenue Service create a dual standard of prosecutorial pursuit.

Those who consider the charge of a national conspiracy against black elected officials as silly must explain why 50 per cent of all the blacks in the House of Representatives are under investigation for criminal activity and not 50 per cent of the white representatives. Certainly, they are not contending that black members as a group are more criminally inclined, less principled, more corrupt, less moral?

The list of black leaders under investigation and/or subjected to unconscionable, irresponsible newspaper attack reads like *Who's Who in Black America*:

Lt. Gov. George Brown of Colorado—grand jury investigation that he misused state funds; charges dropped. Lt. Gov. Mervyn Dymally of California—under daily attack by *Los Angeles Times* and being investigated by several agencies resultant from news articles.

Representative Ronald Dellums of California—telephones and offices illegally bugged by FBI and CIA. Representative John Conyers of Michigan—office and telephones illegally bugged by FBI and CIA.

C. Delores Tucker, Secretary of State of Pennsylvania—press attacks of rumors concerning state travel and income taxes, investigated by State Senate for seven months; all charges proved unfounded.

Representative Ralph Metcalfe of Illinois—publicly accused of receiving kickbacks in

## EXTENSIONS OF REMARKS

1968 rezoning; Justice Department, after one year dropped charges. Representative Parren Mitchell of Maryland—placed under 24-hour surveillance and telephone illegally bugged for eight months; no charges ever filed.

Representative Charles Rangel of New York—criminally investigated for income tax fraud; no charges ever filed. Representative Charles Diggs—presently investigated for income tax evasion. Representative Louis Stokes—FBI investigation into campaign contributions.

Representative William L. Clay of Missouri—accused by Justice Department prosecutor of involvement in narcotics trafficking; investigated by FBI for campaign contribution and travel abuses, and presently by IRS for income tax evasion charges. William J. Chenault, vice mayor of Cincinnati—accused of felony charges of embezzlement and theft; forced to resign; subsequently all charges of felony dropped when he pleaded guilty to four counts of misdemeanor. D'Army Bally of Berkeley (Calif.) City Council—recalled primarily for being black oriented. David Cunningham, city councilman of Los Angeles—forced into a fight for recall; he was successful.

State Representative Bill Green of California—under press attack and numerous state investigations for abuse of travel. Leroy Johnson, former State Senator of Georgia—forced out of office and convicted in an IRS case on dubious charge of filing false affidavit.

Representative Shirley Chisholm—accused of abusing campaign funds; charges dropped. Charles Evers, Mayor of Fayette, Miss.—indicted for income tax evasion. Avon Williams, State Senator of Tennessee—successfully fought censure, was charged with insulting white womanhood. Maynard Jackson, mayor of Atlanta—has been subjected to unconscionable, almost daily attacks by the Atlanta dailies.

I am not for once suggesting that all charges against black officials are frivolously contrived or racially motivated. Blacks in high offices, too, are capable of emulating some of the worst in our white predecessors. Those that do must be dealt with in the same manner, and I emphasize the same manner as their white counterparts.

The fact that black elected officials are under a siege of attacks cannot be viewed in isolation. This must be analyzed in national proportion and viewed exactly for what it is—a conspiracy to undermine, emasculate, humiliate, jail and destroy those blacks who would dare challenge an archaic, repressive, racist society.

## THE IMPERATIVE OF DEVELOPMENT AND GROWTH

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. HAWKINS. Mr. Speaker, I would like to call the attention of the Members to this article by Bayard Rustin, "No Growth Has To Mean Less Is Less." This article presents detailed evidence that a no-growth policy would be to the disadvantage of the poor and nonwhite peoples of the world. The author states that attempts to reduce unemployment and increase growth are necessary if our society wishes to continue trends toward equal justice and opportunity. This article, which appeared in the *New York Times Magazine* on May 2, 1976, follows:

## NO GROWTH HAS TO MEAN LESS IS LESS (By Bayard Rustin)

There is an immense contradiction at the heart of the political attitudes of many Americans—those for whom the abolition of poverty and racial inequality rank together with environmental protection as the highest social priorities of the immediate future. The vast majority would agree that the country is now facing a historic national crisis: There is mass unemployment, a sizable and expanding black underclass comprising persons whose lives were scarcely touched by the civil-rights revolution, and a declining standard of living for millions of working people. Yet many of those who profess concern about unemployment and poverty also actively support the concept of limiting economic growth in order to protect the environment. That notion, if translated into conscious policy, would measurably worsen the nation's—and the world's—economic plight. And its promoters would bear the responsibility for having shattered the hopes of those who have never had a normal role in the world economy, among whom the darker-skinned people of the world rank most prominently.

This exaggerated and misplaced disillusionment with economic growth has been based on the premise that America has achieved an unparalleled state of prosperity such that economic needs and insecurities are no longer the principal concern of its people. With an official (and understated) unemployment rate hovering around 8 percent, and with key sectors of the economy engulfed by Depression-era stagnation, one hears less today about America as the "affluent society" than in the not-too-remote past. Yet that most unfortunate phrase—"affluent society"—has left a permanent imprint. It has provided the rationale for a whole series of attitudes, movements and policies that share a crucial assumption: The material standards of the American majority have reached a level of affluence so substantial as to render the further expansion of production and wealth unnecessary and undesirable. Many of these modern disciples of Thomas Malthus believe that their long-range vision of a better society can be fulfilled only by severely restricting or preventing altogether further economic expansion. E. J. Mishan, a professor of economics at the London School of Economics, has compared the further pursuit of growth to a "joyless voyage, fraught with increasing risk," and found for an unattractive destination. While Mishan is usually described as a "conservative," the fact is that his crusade against technological society—including proposals for a ban on international air travel and for creation of communities where only horses and horse-drawn vehicles would be permitted—has struck a responsive chord with many American ecologists.

It has long been an article of faith for conservative economists that accelerated rates of growth are a chief cause of inflation. When conservatives have held the Presidency, their advisers have often encouraged fiscal and monetary policies aimed at slowing growth and increasing the jobless rate as a means of reducing the pace of inflation. This was the case during both the Eisenhower and Nixon Administrations—and it is now the case for the Administration of Gerald Ford.

What is different about the current upsurge in antigrowth sentiment is that the bulk of its intellectual and political advocates characterize themselves as liberal, or even radical, in the sense that they maintain in the abstract a conviction that it is the Government's obligation to assure a condition of equality for all people, and to intervene actively on behalf of the poor and minority groups.

To its credit, the environmental movement has made a significant contribution to

the struggle for a more humane social order by forcing society to take a new look at many previously accepted patterns of economic and cultural behavior. In its most praiseworthy campaigns, the environmental movement has sought changes that are of great importance to working people. It can take credit for having reawakened society to the need for more stringent job-safety regulations. By pointing out that it is the neighborhoods of the poor and working classes that receive the worst effects of pollution from nearby plants, it has added an important class dimension to the struggle for a cleaner environment. Environmentalists can also take credit for having questioned the usefulness of the urban renewal schemes, highways and developments that so often require the destruction of healthy working-class neighborhoods. At the same time, many of those in the vanguard of the environmental movement, themselves members largely of the upper classes, have often sought policies that are clearly detrimental, and in some cases—the growth controversy being the most significant example—destructive to the needs of those less better off.

The antigrowth movement has already made its impact felt in the debate over economic recovery that occupies a central role in the Presidential campaign. The attitude of many liberal Democrats is strikingly different from that of John F. Kennedy, who made the cautious, slow-growth policies of the Eisenhower Administration a decisive issue in 1960. Confronted by an economic crisis far more severe than the problems facing Kennedy, many liberal Democrats prefer the motto "less is more" to Kennedy's ringing assertion that "a rising tide lifts all the boats."

Let me make it clear that I am in general sympathetic with the two basic elements of what is shaping up as a new liberal agenda for economic transformation. The first element, publicly financed jobs, is desperately needed not only to reduce unemployment, but also to enable the Federal Government to carry out the vital programs of urban reconstruction that business and the states and cities will not, or cannot, carry out. The second, the dismantling of the largest corporations through various antitrust enforcement, as proposed by politicians like Fred Harris, can be a useful mechanism for reducing the inordinate influence of corporate giants and conglomerates. (Though we may be deluding ourselves if we look on trust-busting as a means of putting people back to work. Critics of "bigness" seem to forget that the competitive capitalism of the past bred a degree of worker exploitation that is unimaginable today.)

But these are not, by themselves, a sufficient response to high, long-term unemployment or to the problems of the hard-core, structurally unemployed. Sustained, high economic growth is also a precondition for the creation of a more equal society. For as economist Leon Keyserling points out, it has been only during periods of high growth that America has made forward thrusts against mass poverty and unemployment. In a direct response to the critics of growth, Keyserling writes:

"The record is clear beyond question that there is a high positive correlation between the rate of real economic growth and the rate of reduction of poverty. This is mainly because the high unemployment attendant upon low growth is the main single cause of poverty. A second reason is that the improved income distribution and the larger emphasis upon the great domestic priority programs, which in part derive from high growth and in part are essential to it, are also indispensable to the liquidation of poverty [emphasis added]."

The point about the correlation between growth and the effectiveness of social programs is crucial. For in the opinion of many

critics, economic expansion, while raising the standards of the working class, has totally failed to reduce poverty, particularly among blacks. Yet the record shows that this is simply not the case. Between 1959 and 1969—a period of transition from policies of slow growth to those of relatively high growth—the percentage of white families earning less than the Federal low-income level shrank from 18.1 to 9.5 percent, not an insignificant amount. For blacks, the change was even more dramatic: The proportion of blacks living in poverty declined from 55.1 percent to 32.2 percent. In other words, whereas at the beginning of the decade more than one-half of all blacks lived in poverty, by the end of the decade that number had been reduced to less than one-third.

A healthy rate of economic expansion is a precondition for the success of manpower and service programs that are directed to the special needs of the poor. Without substantial growth, we simply will not have enough jobs for those individuals who have undertaken training programs as a means of overcoming the effects of poor educational opportunity. Nor will Government have the resources to build the housing, supply the medical services, and upgrade the schools in the inner cities.

Perhaps even more important would be the psychological and political effects of restricting or stopping growth. People who are confronted by scarcity and a declining standard of living are unlikely to lend support to policies that seek to lift the standards of only the very poor. Hard times do not evoke a national consensus for massive reform; the cycle of recession/inflation/stagnation engineered by successive Republican Administrations has hardened the politics of envy and selfishness.

In addition to its impact on domestic politics, the abandonment of growth would have an incalculable effect on our foreign relations. The role that America plays in the coming struggle to free the underdeveloped world from its pervasive and oppressive cycle of economic bondage poses one of the great challenges of the future. Without growth, we could never mobilize domestic political support for policies that offer new hope to the emerging nations. But even more important, economic growth in industrial countries is of major economic benefit to poorer countries who need markets for their raw material resources and other products.

Nevertheless, in the face of overwhelming evidence that the end of growth would result in an incalculable set-back for poor and darker-skinned peoples of America and the world, the antigrowth proponents stubbornly insist that the perpetuation of current rates of economic expansion can only hasten the destruction of humankind. And they do so despite the fact that some of the most fundamental tenets of the neo-Malthusians—such as the notion that much of the earth's natural resources face extinction by the end of the century—have been sharply criticized by scientists and economists who believe that the earth can sustain growth rates sufficient to make possible the abolition of poverty in even the most wretchedly desolate African or Asian nation.

If the scientific rationale that underlies the antigrowth movement is by no means proven, why has the limits-to-growth thesis won such widespread acceptance? One suspects that there is a certain class disdain at work in the anguished cries over materialism and overabundance, and that what many critics of growth are really upset about is the loss of status that the privileged suffer with the enlargement of the middle classes. Such attitudes, it should be noted, are by no means limited to the opposition of segments of the traditional elite to economic democracy. At the core, the factional struggles within the Democratic Party are the stirrings of an educated, middle-class elite for

domination over organized labor and the working class. Lacking a mass constituency, this elite has fallen back on an exquisitely honed sense of self-righteousness and moral sensitivity—it has, in other words, claimed authority on the grounds that it comprises the better, more enlightened people—to place its adversaries on the defensive. Anthony Crosland, the brilliant social democratic theorist who is currently Foreign Secretary in the British Labor Government, has written a biting rejoinder to such attitudes. He says:

"My working-class constituents have their own version of the environment, which is equally valid and which calls for economic growth. They want lower housing densities and better schools and hospitals. They want washing machines and refrigerators to relieve domestic drudgery. They want cars, and the freedom they give on weekends and holidays. And they want package-tour holidays to Majorca, even if this means more noise of night flights and eating fish and chips on previously secluded beaches—why should they too not enjoy the sun? And they want these things not . . . because their minds have been brainwashed and their tastes contrived by advertising, but because the things are desirable in themselves."

Crosland here does not even get into what is perhaps a more fundamental prejudice held by the antigrowth intelligentsia—a contempt for the very occupations that would be most threatened by a reduction in growth or by the imposition of extreme environmental restrictions. The jobs that would be lost would be almost exclusively in blue-collar fields—jobs that can be repetitious and deadening to the spirit, but that can also offer a challenge to the ingenuity and skills of a worker, as with construction work. Environmentalists can talk glibly about creating opportunities for the "retraining" of workers displaced by antipollution regulations, but the response of the worker is likely to echo the trade unionist, who observed that he had "never met an unemployed environmentalist."

I do not here wish to exaggerate the impact of environmental legislation on the jobs of working Americans. According to estimates of the Environmental Protection Agency, some 12,000 jobs have been lost due to plant closings and the like mandated by stiffer pollution standards. Environmentalists are quite right to point out that many more jobs have been created by antipollution projects—such as sewage treatment facilities—than have been lost because of the failure of a firm to comply with Government antipollution laws. Nor do I wish to appear sympathetic to those antienvironmentalists within the business community who regularly issue sweeping and unfounded protests that business is being "strangled" by overregulation. Businessmen have resisted the imposition of antipollution standards for the very same reasons they have resisted civil-rights laws and labor legislation—a class-rooted antipathy to government intervention in business affairs—and not because of an inability to comply with needed changes.

But environmentalists are also guilty of obscuring the effects of their agenda. Plant closings have eliminated some actual jobs, but the curtailment of construction projects, industrial enterprises and agricultural ventures for environmental reasons has eliminated many more potential jobs. This problem is of particular importance to poor blacks in the rural South, and there have been several lawsuits involving Southern civil-rights forces and environmentalists over the question of rural development. Furthermore, a report prepared for the Department of Health, Education and Welfare on the economic implications of air-quality legislation suggests that the long-term effects of stringent antipollution laws could have serious

long-range effects on the development of the rural, black South. That report notes: "While nondeterioration regulations risk imposing substantial net costs on the nation as a whole, a disproportionate share of these costs might be borne by persons of limited economic means and residential mobility. These persons would benefit relatively little from the preservation of air quality in rural areas, while they would disproportionately bear any burdens of curtailed economic growth, altered urban and rural development trends, constrained national capacity to absorb anticipated population increases, and higher consumer prices of manufactured goods. These impacts could compound the difficulties faced by all levels of government in responding to the needs of the poor, the elderly, racial minorities and persons otherwise disadvantaged."

The implications of this report, at the very least, suggest that harmonizing environmental objectives with the need for economic development is a far more complex challenge than many have supposed. It is thus no wonder that the advocates of a zero-growth, "stable state" future are so purposely vague about how, within this context of diminishing opportunity, justice can be won for the very poor. Some, of course, do have a program: massive redistribution of income and wealth achieved largely through the thorough-going change of tax policies. Tax reform is, of course, a goal that is important for reasons of equity and fairness, as well as for the benefits it might provide for the poor. But recent history has demonstrated clearly the limitations of the politics of redistribution within a slow- or no-growth society. I would recommend a careful examination of the experience of the British Government during the past few years. Although it would be unfair to equate Britain's manifold problems with those of other Western nations, there is still an important lesson to be learned: Policies that seek to transfer wealth from the affluent and middle classes to the poor and working classes—if carried out under conditions of stagnation—cannot prevent, and may in fact contribute, to the declining standards of all the people, rich and poor alike. In contrast, countries like West Germany and Sweden, with forward-thinking social democratic Governments, have elevated the standards of their citizens, kept unemployment to a minimum and largely abolished poverty precisely because they have chosen to emphasize production and growth while at the same time using the fruits of growth to provide more and more efficient services to their people.

While the United States has had no experience with the politics of redistributionism similar to that attempted in Britain, we have witnessed the effect of the kinds of policies that seek the exclusive advancement of social groups suffering from past or present discrimination; policies, moreover, that represent an attempt at redistribution through a form of "social engineering." The most controversial of these policies is the imposition of racial quotas in the hiring programs of businesses, construction trades unions, universities and the like. For the individual who no longer believes economic growth to be an enlightened or feasible approach to the problem of income inequality, quota systems represent an obvious solution. And, indeed, were a zero- or slow-growth economy to obtain, we would no doubt confront increasing demands for some form or another quota hiring in order to ration the pieces of a shrinking pie on a more racially and sexually equal basis.

There are any number of reasons to oppose the employment of quota systems, including the persuasive argument that they simply don't work. A more fundamental objection, however, is that quotas really solve nothing; indeed, they create many more

problems than they might be expected to resolve. If jobs are scarce, apportioning them to one group on the basis of racial or biological characteristics means denying employment to other individuals because of their racial or biological characteristics. For some people, such a procedure is entirely acceptable, since they are convinced that whites or males have not won their jobs out of ability or intelligence, but because they are members of a "privileged" class. Of course, they are correct to point out that white men have a disproportionate share of good jobs because of practices and prejudices that have long been rooted in our culture. But it is no solution to substitute one form of discrimination for another; two wrongs do not make a right, as the quota proponents seem to believe.

More to the point, what sort of a society does the future promise should we surrender the single most effective means of dealing with the problems of the slum proletariat? This underclass either has no relationship to the production of goods and services, or is trapped in marginal, dead-end occupations. We may, in fact, be witnessing the emergence of a class of "economic untouchables," an entire generation of largely black youth who have been deprived of the opportunity to enter the work force in a meaningful way and who, in despair, may simply abandon the hope of ever taking part in the economy.

To some, the current attack on growth is simply the latest of intellectual fashions. I disagree. Far from being a passing fad, the willingness to abandon growth at once symbolizes and contributes to the weakening of liberal will and liberal vision in the West. Above all else, liberals have fought for a society that offered an ever increasing possibility for the fulfillment of individual potential within the context of a just legal and economic order. The failure to achieve perfect justice and perfect opportunity should in no way obscure the very real progress that has been made toward these ideals. Not the least of these achievements is the perpetuation of a democratic form of government that, whatever its flaws, has permitted ordinary people to have a voice in, and sometimes to dominate the political system. It is, further, a system that has reduced the influence of privilege without coercion or purges. Now we are told that the byword of the future is to be retrenchment, that we will have to make do with less, even though, we are assured, a future with less will be superior to the present. Better for whom? Not, certainly, for those who now have little. Not for the citizens of the third-world nations, who alternate between despondency and desperation. There is still a challenging agenda of worldwide economic advancement ahead, and it is an agenda on which the future of humankind rests just as surely as our future depends on the protection of the air and water. To those who insist that we can no longer tolerate economic growth, my response is simply that we cannot afford to do without it.

#### PENSION NEEDED FOR WORLD WAR I VETERANS, WIDOWS

**HON. CHARLES J. CARNEY**  
OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. CARNEY. Mr. Speaker, the purpose of my bill, H.R. 1594, is to provide a service-based pension to the veterans of World War I and their widows.

Veterans of World War I originally numbered 4,447,000. Today, at an average age of 80.3, there are less than 900,000

veterans of that war. Their ranks are being depleted at a rate of about 100,000 a year and this rate itself increases along with the average age of the World War I veteran.

Of these numbers, approximately 287,000 are receiving disability pensions. An additional 534,000 dependents of World War I are also on the pension rolls for fiscal year 1976. The average monthly payment for these veterans is approximately \$117. Their dependents receive an average monthly pension of \$70.

Under current law, veterans of World War I and later wars receive pensions based on nonservice-connected disabilities and financial need. There are also need standards for widows and children. Service requirements are a discharge under conditions other than dishonorable after 90 days of service during a period of war, or less if discharged for a disability.

Benefits are provided on a sliding scale according to income and family status, with the greatest amounts of benefits payable to those with the greatest need. Basic disability rates for veterans range from \$5 to \$182 per month, with maximum annual income limitation at \$4,200, according to the number of dependents. The applicable monthly rate is increased by \$123 if the veteran is in need of regular aid and attendance of another person, or by \$49 if he is permanently housebound but not entitled to the aid and attendance allowance.

Similarly, widows' death pension rates range from \$5 to \$128 per month, with the maximum annual income limitation at \$4,200, depending upon whether the widow has a child, with the pension increased by \$20 for each additional child. The basic monthly rate is increased by \$64 if the widow is in need of regular aid and attendance.

My bill would establish a new pension program for veterans of World War I and their widows. Pension would be paid simply on the basis of their service, with no requirement of disability and without regard to financial need. As little as 1 day's service could qualify the veteran and the proposed World War I period would be extended. The monthly rate for a veteran having a wife or child, or a widow with one or more dependent children would be \$150 under this bill. A veteran without dependents, or a widow without a child, would be paid a pension of \$135 monthly. If a veteran were in need of regular aid and attendance of another person, the monthly pension rate would be increased by \$125. If the veteran were permanently housebound but could not qualify for the aid and attendance rate, the monthly pension rate would be increased by \$50.

Persons on the World War I pension rolls at the time of enactment of this bill, or those who would establish eligibility subsequent to enactment, would receive pension under the current law unless and until they elected to come under the new provisions. An election to receive pension under H.R. 1594 would be irrevocable.

My bill would also provide that any World War I veteran entitled to pension would be entitled to hospital, domi-

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ciliary, and medical care under chapter 17 of title 38, for any nonservice-connected disability. The bill further provides that costs of any medical services given to such veterans outside of the Veterans' Administration if it were determined that travel to and from a VA medical facility for such services would impose a medical or financial hardship on the veteran. Benefits would be paid or provided regardless of the income or corpus of the estate of the veteran or his spouse.

In addition, my bill would permit outpatient treatment of World War I veterans under any circumstances. Currently, a veteran may be furnished medical services on an outpatient or ambulatory basis whether in a VA facility or on a fee basis where such services are necessary in preparation for, or to obviate the need of, hospital admission, or where the veteran has been granted hospital care and such services are necessary to complete treatment incident to such hospital care.

In considering additional benefits for World War I veterans, it should be noted that because of their age, many veterans were not in the labor force for the requisite period of time to draw maximum social security benefits. I am also concerned about the number of World War I veterans or their survivors who receive or who are qualified to receive welfare assistance benefits. When the Senate Veterans Affairs Committee held hearings on World War I pensions in 1972, J. C. Peckarsky, the deputy chief benefits director of the Veterans' Administration estimated that approximately 291,000 veterans in receipt of pensions were also in receipt of welfare benefits. It is my understanding that a significant number of these veterans on welfare are World War I veterans. In addition, there are apparently a substantial number of other World War I veterans who, because of their low income qualify for benefits, but do not, due to the stigma associated, apply for them. I believe that no veteran or survivor should be in receipt of, or qualify for, welfare assistance by reason of a low income.

Mr. Speaker, our present veterans' benefits laws are, for the most part, the best that have been devised by any nation. The only exceptions to this are the benefits provided for the veterans of World War I.

A purely service-based pension is provided to those veterans of wars prior to World War I. For veterans of World War II and later, unemployment compensation and educational opportunities were made available to those who choose to use the privilege. After rehabilitation and hospitalization, other benefits, including compensation and pension were provided. Thus, the most adequate veterans benefits program of any nation was created. However, there is still one exception, that of the veterans of World War I.

It is this gap in an otherwise outstanding veterans benefits program which this bill attempts to correct. Some special consideration for the veterans of World War I is certainly needed.

At a time in their lives when expenses are heavier than ever before, these aged

veterans find themselves living in a poverty classification and deserve special consideration. This is the inequity my bill attempts to correct.

I urge my colleagues in the U.S. Congress to support H.R. 1594, legislation to provide a pension for the veterans of World War I and their widows.

## NAVY SHIPBUILDING PLANS REQUIRE CLOSEST CONGRESSIONAL SCRUTINY

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Ms. ABZUG. Mr. Speaker, several weeks ago, my distinguished colleague from Colorado (Ms. SCHROEDER) participated in a panel discussion on the Robert MacNeil Report on WNET-TV (PBS) which I would like to bring to the attention of this House. It should be regarded as an important chapter in the great debate on the Navy currently in progress.

Several alternative viewpoints were represented. The debate was factual and mature. I only wish that the panels of Presidential candidates could address this important topic on the same high level.

We are scheduled to begin consideration of appropriations for the Department of Defense in several weeks. One of the most important and expensive categories will be the Navy's shipbuilding plans. I believe that Congress must give the closest scrutiny to funding requests for new ships.

Unfortunately, the public debate on Navy's role and strength has been tainted by what several members of the Armed Services Committee have called "a highly capable and well-financed Pentagon public relations effort" to convince Congress that the military balance is shifting toward the Soviet Union. Allegations of the Soviet naval threat have played a prominent part in this public relations effort.

Congress should not make important fiscal and military decisions on the basis of distorted information packaged to scare or deceive the American people. We need a serious and rational debate on the purpose of our Navy, the genuine threats to our country's security which must be defended against and the most cost-effective, unwasteful means of sustaining a sensible Naval force.

The panel discussion was held on May 6, 1976.

Since the transcript is quite lengthy, I am submitting it in two parts. The second part will follow in tomorrow's RECORD:

## TV TRANSCRIPT

ROBERT MACNEIL. Good evening. From the earliest days of the Republic, in fact even before the Declaration of Independence, one of the hottest issues before Congress was what kind of a Navy America needed, how many ships, of what size, and what they would cost.

It's the same today. But instead of the cozy nine hundred thousand dollars Congress

authorized to build fifteen war ships in 1775, Congress this week is grappling with sums like six and seven billion dollars for something like the same number of ships. The debate over the role of the Navy goes on two hundred years later, enlivened at the moment by the competition between Ronald Reagan and Gerald Ford, each to appear the fiercer protector of the nation's defenses.

Reagan says we're second best because the Soviet Navy now has more ships than we do; Ford says our ships are bigger and better.

All the same, the size of the Soviet Navy has been a growing source of anxiety in the Ford Administration. But the debate has become a debate of numbers and prices, while behind the scenes the National Security Council is still working on a long-range naval strategy.

Tonight, in the simplest terms, we examine the same questions that exercised the Founding Fathers: what kind of a Navy do we need, what is its purpose, and how big should it be? Since the cost of any naval construction today is fantastic, it's a matter of very real concern to all of us to get behind the campaign rhetoric.

Jim?

JIM LEHRER. The crucial factor right now, Robin, is trying to define exactly where we do stand as far as the Soviets are concerned. It's not easy, even when the politics and the other obvious self-interests are sorted out. For instance, Defense Secretary Rumsfeld told Congress that our Navy is roughly equal to the Soviets' right now, but they will soon gain superiority if present trends continue.

Admiral James Holloway, Chief of Naval Operations, says essentially the same thing, that the U.S. Navy now has a thin margin of superiority, but says if the size of our Navy remains static, quote "our ability to carry out our principal responsibilities will be in jeopardy", end quote.

But on Tuesday, a Library of Congress study was released which said Soviet shipbuilding was actually on the decrease, and suggested there was little likelihood the Soviets would overtake us.

The argument is confused further by disagreements over comparing the number of ships or comparing total tonnage and quality and price and a lot of other things. And just for good measure, there's also a debate over whether the U.S. Navy should concentrate on building fewer, but more expensive, nuclear-powered ships.

Admiral Hyman Rickover is the big advocate of nuclear power, of course, and although Rumsfeld and most of his bosses in the Navy disagree with him, Rickover has a lot of influence in Congress.

Now we want to begin to sort out some of this now, beginning with Admiral Elmo Zumwalt, who retired in 1974 as Chief of Naval Operations. Admiral Zumwalt is the author of a new and controversial book about his experiences called, *On Watch*, and is currently a Democratic candidate for the U.S. Senate in Virginia.

Admiral, first this Soviet comparison question. Where do you come down on it?

ADMIRAL ELMO ZUMWALT. Well, there is no question but what the earlier Library of Congress report, which did you not say, and which concluded that the United States Navy is in trouble, is accurate and conforms to the judgment of such people as former Secretary of Defense Schlesinger, who got fired for trying to bring out unpopular facts.

LEHRER. But what are the facts as you see them?

ZUMWALT. The fact of the matter is that the bottom line, which has to be a judgment as to who would win and who would lose a conventional naval war as that war would most logically be fought for a reasonable range of assumptions. The answer to that question is that the odds are very high that the Soviet Union would win and that the United States would lose that war, as a

result of continuing reduction in the naval budget over a period of many years.

LEHRER. What about the future trends that Secretary Rumsfeld talks about? Do you think we're coming to grips with this, in terms of what we plan, what we want to build, et cetera?

ZUMWALT. No. You have to remember that Secretary Rumsfeld is in the position of having to say what he's told to say by his President, who is under attack for the fact that our Navy is behind in capability. And I think a more accurate version of what the facts are would be what Secretary Schlesinger has said, who is no longer under those kind of wraps(?)

The trends are getting worse as a result of Congressional reductions in naval budgets, in my judgment.

LEHRER. All right, sir, thank you.

Robin?

MacNEIL. During his thirty-one years in the Navy, Rear Admiral Gene LaRocque commanded two cruiser and destroyer flotillas in the Atlantic, a task group in the Mediterranean, and served on the Strategic Planning Staff for the Chief of Naval Operations and the Joint Chiefs. When he retired from the Navy in 1972, he founded the Center for Defense Information in Washington, D.C., and continues to serve as its director.

Admiral LaRocque, did you agree with Admiral Zumwalt, do we need to be alarmed about the Soviet Navy?

Rear Admiral GENE LAROCQUE. Well, first of all, I'd like to point out that we have a very strong and powerful Navy today, and I'm really embarrassed to find the former Chief of Naval Operations downgrading the capability of our Navy to the degree that he has been doing recently.

By comparison, by many of the criteria that you can name, we are much stronger than the Soviet Union, but there's no question the Soviet Union is also a very powerful force. When you compare people, we have more people; when you compare tonnage, we have more tonnage.

MacNEIL. Well, coming down to the proposition that Admiral Zumwalt supports, fighting—the prospect of having to fight the kind of war it would be reasonable to expect we might have to fight—need the American voter this year be alarmed about the position?

La ROCQUE. It's very simple, if we have to fight a war with the Soviet Union, either at sea or on land, which will ultimately expand to a nuclear exchange, yes; the people of the United States had better be very concerned, because a war of any kind with the Soviet Union is going to mean the complete and total destruction of the United States and the Soviet Union.

MacNEIL. Is our Navy at the moment in an inferior position for the sort of things our Navy would have to do in the kinds of hostilities that are foreseeable?

La ROCQUE. Well, it's best put in these concrete terms. The Chairman of the Joint Chiefs of Staff, George Brown, very recently said that the Soviet surface warship combatants were expected to decline over the next ten years. Ours are expected to increase.

He also pointed out that the Soviet submarine force is expected to decline over the next years; ours is increasing.

The third element of our naval forces are our aircraft, and we have some six thousand operating aircraft in our Navy today and the Soviets have about twelve hundred. So we're in good shape.

MacNEIL. Thank you, sir.

Jim?

LEHRER. All right. Congresswoman Patricia Schroeder is a Democrat from Colorado, and is a member of the Seapower Subcommittee of the House Armed Services Committee.

What's your view of the Soviet threat, Congresswoman?

Congresswoman PATRICIA SCHROEDER. Well,

## EXTENSIONS OF REMARKS

let me say first of all, there's always a problem in that no one ever has enough; I mean, that's kind of the American way of life. But let me say, you've got to look at the Soviets in several different ways.

Number one, they have a very definite submarine threat, and I think we should be doing more in our anti-submarine area. When it comes to the surface Navy, I don't think they're really any big threat. I think first of all, an awful lot of the ships that we're hearing about are small patrol ships, we know that for a fact—for the inland sea, whereas we're a big, blue ocean Navy. We don't have a lot of inland seas and lakes that we're monitoring.

They've got to have a lot of icebreakers, just to keep their ports open, and so you start counting those all as equivalents and they're really not. The projection now that the Library of Congress has is if they keep building at the rate they're building, they will have about a four hundred and thirty-five ship Navy, which will be less than we have. We also hear they're having the same trouble with their ship maintenance.

But the real issue is we keep talking about what would happen in a conventional war with the Soviets, and I think it's really kind of hard. I know Washington's a scenario factory, but it's really hard to imagine a conventional war at sea with only the Soviets. I think it will be an all-out war once the United States and the Soviets got going, really, and then the Navy does almost become obsolete. Then I think probably Admiral La Rocque is right.

In a conventional naval war with anyone else other than the Soviets, there's no question we're leaps and bounds ahead of everybody. With the Soviets I think we're ahead; I would be concerned that we don't do more in the anti-submarine area, since as I say, I would clearly rather have a conventional war with them anyway. And we do have an air cover for our Navy, which is very, very important.

LEHRER. In a word, are you worried about the problem or the comparison between our Navy and the Soviet Union at this point?

SCHROEDER. No, I'm not. I think that the trends are very, very healthy, that we're seeing that the Soviets are cutting back. They had a tremendous boom in the mid-sixties; they are cutting back from '69 on, and building fewer ships than we are. We are way, way ahead in the major combatants. I think to be fearful that we don't have a lot of minor patrol boats is wrong, because we have many allies, and they can fill that, plus we have mothball fleets that can fill that.

There's a lot of ways we can fill the small patrol boat gap without just building tons of little ships. So I think we're in good shape for major combatants.

LEHRER. All right, thank you.

Robin?

MacNEIL. Before anybody, the Congress, Mr. Ford, Mr. Reagan or anybody else can make a sensible guess as to how many ships we need and what kind, they have to have figured out some idea of what the modern Navy for the United States is actually for. What is its mission?

We've heard that the National Security Council has recently begun a major, long-range strategic study. While they're doing that, let us ask the guests this evening what they think the mission of the Navy is today.

Admiral Zumwalt, what do you think that mission is?

ZUMWALT. Well, there are several. The Navy must provide the most survivable component of the strategic equation. It has been the Polaris/Poseidon submarine, and in the future must be the replacement, the Trident submarine, which has a very high survivability factor in comparison to land-based systems. It must in addition be able to try to insure control of the sea, and as I have pointed out, there's certainly no doubt when

one examines the war games that we lack that capability today, but we ought to try to regain it.

And we need to be able to have the capability to project power when the President and the Congress authorize it, in those kinds of situations in which military capability is needed and cannot be brought to bear in any other way, such as through the use of our amphibious forces and our strike(?) carrier forces.

MacNEIL. That's actually the power to help us intervene somewhere rather than just the old-fashioned showing the flag, in certain—diplomatically.

ZUMWALT. Well, it's the capability to do so which helps to deter, and therefore if one has sufficient capability as we used to have, you don't find yourself getting involved and using it except when some kind of a tragic, strategic error is made as in the decision to get involved in a long and drawn out war in Southeast Asia.

MacNEIL. Thank you.

Admiral LaRocque, do you have any quarrel with Admiral Zumwalt on these various three aspects of the role of the Navy as he sees it?

La ROCQUE. Well, first of all, I think it's a very narrow view of the Navy's role, and I think you have to look at the role of the Navy today from the point of view of whether we're going to be fighting the Soviet Union or not. That's a whole separate ball game. So, you have to first consider that.

And then the second aspect, whether we're fighting against Third World countries. And then examine specifically what our mission is in each of those. Now for example, in a war with the Soviet Union, we have a strong submarine force that can destroy the Soviet Union that Admiral Zumwalt's alluded to. We have some five thousand nuclear weapons in our submarines at sea today; the Soviets have about seven hundred and fifty in their submarines today to shoot at us.

Now we do not have the capabilities, though, in a war with the Soviet Union to destroy the Soviets' strategic submarines before they launch an attack on the U.S., and they don't have that capability either. But we have plenty offensive capability in a war with the Soviet Union, and not enough defensive.

The other thing is that if we're going to be in a war with the Soviet Union, and we're trying to convoy ships to Europe we will be unable to convoy our ships to Europe with the naval forces we now have.

MacNEIL. So you agree with the Admiral when he says that we lack the capability to maintain control of the seas, at least in that aspect.

La ROCQUE. I'm only talking in terms of a war with the Soviet Union. The Chief of Naval Operations, the incumbent, says we cannot control the seas. What worries me is we're planning a major war on the continent of Europe, where we have three hundred thousand men, and we do not today have the capability to protect those ships, our supply ships, going to Europe. The reason we don't, Mr. MacNeil, is because we have spent our money and built ships to intervene in Third World countries, with our aircraft carriers and the supporting ships, and that's where our Navy has spent its money and has left us defenseless in a war in support of Europe, and defenseless in a war against the Soviet Union insofar as striking Soviet submarines that are maybe—that are in position to attack the United States.

MacNEIL. Congresswoman, do you have any different view of the role of the Navy than these two gentlemen?

SCHROEDER. Well, of course, I really feel that we should be talking about freedom of the seas, and I think we should also be talking about our allies' role in the freedom of the seas. One of the most depressing things I saw this year was the New Year's speech coming out of Japan, who relies on freedom

## EXTENSIONS OF REMARKS

of seas much more than we do, saying that they were going to cut back on their shipbuilding. I think that's one of the things that we should be talking about, and how we all fit together in that total picture.

So I think it's—I'm very worried about our interference in Third World countries. I don't think we gain a lot of friends by steaming in with a carrier and a great show of force. And I think the debate that should be going on in this country is not how much do we need against Third World countries—we've got all we could possibly ever want against the Third World countries, it's only the Soviets where the real question comes up—we've got all we could need there, but the question is, when would we use it, where would we use it? I don't hear that debate going on.

Now we saw that issue in Angola. We had a lot of people scratching their heads, wondering what we should do should the Middle East flare up again. I have a husband who went ashore during the Lebanon crisis in the Eisenhower navy in the fifties, and now we have another Lebanon crisis, but there's no way we're going to put anyone ashore.

So I think the issue is not can we go ashore, can we project ashore, can we really project ourselves into Third World nations. The question is when and how, and we have to be concerned. You know, the world is much more sensitive than it was twenty years ago, and they really don't enjoy us as being the friendly policeman on the block.

## TOXIC SUBSTANCES CONTROL LEGISLATION

HON. BOB ECKHARDT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. ECKHARDT. Mr. Speaker, this past December the Consumer Protection and Finance Subcommittee reported the toxic substances control legislation, H.R. 10318, of which I was the major sponsor.

Since the legislation was reported, I have had the opportunity to discuss with a number of my colleagues on the House Commerce Committee some of their specific concerns about the legislation. While we all shared general agreement about the need for effective toxic substances control legislation, we differed in our approach as to how best to accomplish this objective. However, after discussion we felt that we could write legislation which would be satisfactory to all of us. This we have done, and we are today introducing a new version of the toxic substances legislation. The full House Commerce Committee is ready to begin markup on the legislation next week, and the bill we are introducing today will serve as our markup vehicle.

The new bill meets the urgent need, for an effective means of controlling toxic chemicals in our environment. The legislation will require testing of potentially dangerous chemicals, as well as modification of new chemicals which are coming out onto the market. And the bill fills present regulatory gaps in our statutory authority for acting against dangerous chemicals which do get out into the marketplace, the home, and the general environment.

At the same time, the legislation has been carefully drafted so that there

will not be an undue regulatory burden placed on the chemical industry. This industry is a vital part of our economy and is responsible for the development of products which have constituted greatly to our way of life.

Because of the widespread congressional and public interest in the legislation, I would like to include in the Record today a description of the ways in which this new bill changes the bill reported by the subcommittee. I hope that after study my colleagues will agree with me, and we will see speedy enactment of this badly needed legislation:

## CHANGES TO H.R. 10318 MADE BY NEW TOXIC SUBSTANCE LEGISLATION

## GENERAL

Regulatory action under section 4, 5 and 6 of H.R. 10318 is conditioned upon a finding by EPA that a chemical substance or mixture may or will "cause or contribute to" an unreasonable risk. The new bill would change this to "cause or significantly contribute to" an unreasonable risk.

## Section 3. Definitions

Exclusion of Cosmetics, p. 83.<sup>1</sup>

H.R. 10318 covered cosmetics. The new bill would exclude cosmetics from the coverage of the legislation.

## Amendment to mixture definition, p. 85.

The definition is changed to eliminate requirement that there be no chemical reaction between the components of a mixture. It also broadens the definition to include certain combinations of existing chemicals produced by a chemical reaction. If the ultimate combination could have been produced without a chemical reaction, that combination will be considered a "mixture".

## Section 4. Testing

Addition of considerations in promulgation of Section 4 testing rule, p. 88.

The Administrator would be required to consider relative costs of various testing methods and the reasonable foreseeable availability of facilities and personnel in determining what kind of testing is to be required and the time period within which it is to be performed.

Findings required as a condition to a rule under section 4, 5(1), 6(a), p. 91.

The new bill clarifies that the findings set out in sections 4(a), 5(1), and 6(a) must be published at the time a rule under one of those sections is promulgated.

## Priority list considerations, p. 97.

The new bill adds an additional item which the priority setting committee is to take into account in determining what chemicals should receive priority consideration for testing. Under the new bill the Administrator would have to consider the reasonably foreseeable availability of facilities and personnel for performing testing.

## Priority setting committee, p. 98.

Presently H.R. 10318 requires the Administrator to initiate a rulemaking proceeding to require testing of a chemical substance recommended by the advisory committee or to publish in the Federal Register reasons for not initiating the proceeding. The new bill eliminates this requirement. Under it the recommendations for testing submitted by the advisory committee and supporting reasons would be made available to the public. A manufacturer of a chemical recommended for testing by the committee or any other interested party could submit comments on the need for testing of the chemicals and those would also be made available to the public.

<sup>1</sup> Page numbers refer to H.R. 10318 as reported from Subcommittee.

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Members of Priority Setting Committee, p. 100.

The new bill would add a representative of the Department of Commerce to the interagency committee which recommends chemicals for testing.

## Section 5. Premarket Notification

## Revision of Section 5(d) Authority, p. 103.

Presently under section 5 of H.R. 10318 the Administrator may put a rule into effect immediately to hold a new chemical off the market. The new bill would require the Administrator to go into court to enjoin the manufacture of the new chemical pending the completion of a rulemaking proceeding.

## Publication of section 5 Notices, p. 108.

H.R. 10318 requires the Administrator to publish certain information received under the premarket notification requirements in the Federal Register. The new bill requires that this information be published within 5 days.

## Action on Section 5(k)(1) Exemption, p. 110.

H.R. 10318 authorizes the Administrator to exempt a manufacturer from the premarket notification requirements for test marketing purposes. The new bill would require the Administrator to respond to an application for such an exemption within 45 days.

## Petition for Standards for the Development of Test Data, p. 11.

Under H.R. 10318 a manufacturer subject to the premarket notification requirements can petition EPA to prescribe testing standards for his chemical. The new bill adds the requirement that if the petition is granted the EPA shall issue the standards within 75 days.

## Section 5(k)(3) Exemption, p. 114.

H.R. 10318 exempts research and development chemicals from the premarket notification provisions. The new bill adds the requirement that all persons engaged in the research or development work be notified of any risk to health which the manufacturer has reason to believe may be associated with the chemical.

## Exemption from Section 5, p. 115.

The new bill adds to section 5 a provision authorizing the Administrator to exempt a new chemical from the premarket notification requirements if the Administrator determines that the chemical will not cause or significantly contribute to an unreasonable risk.

## Section 6. Regulation of Hazardous Chemical Substances and Mixtures

## Section 6(a) Requirements, p. 117.

The new bill adds to section 6(a) the requirement that a rule issued under section 6 be the least burdensome requirement necessary to adequately protect against a risk.

## Section 6 Rule, p. 115.

The new bill changes the basic finding required by EPA to regulate a chemical under section 6. Presently H.R. 10318 authorizes EPA to issue a section 6 rule if the Administrator finds that a chemical "causes or contributes to or is likely to cause or contribute to" an unreasonable risk. The new bill would alter this to require a finding by the Administrator that "there is a reasonable basis to conclude that [a chemical] causes or significantly contributes to or will cause or significantly contribute to" an unreasonable risk.

## Disposal of Dangerous Chemicals, p. 116.

Section 6 of H.R. 10318 authorizes EPA to issue rules regulating the manner or method of disposal of dangerous chemicals. The new bill would permit EPA to regulate disposal by manufacturers, processors, and commercial users of chemicals. A disposal requirement imposed by EPA must not violate any state or local zoning law, and it may require the person disposing of the chemical to notify

state and local authorities that the disposal is being made in their jurisdiction.

Findings for Section 6(a) Rule, p. 118.

H.R. 10318 lists certain items the Administrator is to take into consideration in issuing a section 6 rule. The new bill would require the Administrator to make specific findings respecting these items. It also adds the additional item of the "reasonably ascertainable economic consequences of such rule taking into account the impact on small business." These findings do not have to be supported by substantial evidence on the record.

Findings for Section 6(a) Rule, p. 118.

If the Administrator takes action under the toxic act to protect against a risk which could have been adequately protected against using one of the other laws administered by EPA, the new bill requires the Administrator to make a finding regarding why the action was taken under the toxic act. The Administrator must find that action under the toxic act is in the public interest.

Procedures for the Promulgation of a Section 6 Rule, p. 119.

The new bill changes the procedures which the Administrator must follow in issuing a rule under section 6. The new bill grants interested persons or groups of persons a right of cross-examination if it is necessary for a full and true disclosure of the facts and if appropriate in view of the need for expediency, the nature of the issues, and the number of participants. Groups of common interests must select a single individual to conduct their cross-examination. A fund is established to insure participation in the rulemaking proceeding by persons who represent an interest which would not otherwise be adequately represented in the proceeding.

Standard for making section 6 rule effective upon publication, p. 120.

H.R. 10318 authorizes the Administrator to put a rule banning a chemical immediately effective if an imminent hazard exists. The new bill would require the Administrator to obtain an injunction enjoining the manufacture of the substance against at least one manufacturer. The rule could then be made immediately effective with respect to the rest of the industry.

#### Section 7, Imminent hazards

Definition of Imminent Hazard, p. 124.

H.R. 10318 defines an imminently hazardous chemical as one "which causes or contributes to an imminent and unreasonable risk to health or the environment." The new bill changes the definition to a chemical "which causes or significantly contributes to an imminent and unreasonable risk of serious or widespread harm to health or the environment."

#### Section 8, Reporting and retention of information

Exemption from reporting and recordkeeping requirements of section 8 for small manufacturers and processors, p. 124.

The new bill provides an exemption from the reporting section of the bill for small manufacturers and processors of chemical substances and mixtures. Under the new bill, the Administrator may require the submission of information from a small manufacturer as is necessary to compile the inventory of existing chemical substances. The Administrator may not require additional reporting unless one of the manufacturer's chemicals or mixtures is subject to a rule which has either been proposed or promulgated under section 4, 5(i), or 6.

Reporting and recordkeeping with respect to changes in the proportions of components of mixtures, p. 125.

The new bill adds a provision which restricts the Administrator from requiring mixture manufacturers from reporting or keeping records on changes in the proportions of

the components of a mixture unless the Administrator finds that it is necessary for the effective enforcement of the Act.

Listing by category, p. 126.

H.R. 10318 requires the Administrator to compile an inventory of all existing chemical substances manufactured for commercial purposes. The new bill adds a provision to clarify that the Administrator may use categories of chemicals in compiling the inventory. Thus all chemicals would not have to be listed individually, but instead could be listed by category.

Nonduplicative Reports, p. 126.

Section 8 authorizes the EPA to require manufacturers and processors to submit reports to EPA. The new bill instructs EPA to avoid unnecessary or duplicative reporting requirements.

Maintenance of records of adverse reactions, p. 127.

H.R. 10318 requires manufacturers and processors of chemicals to maintain records of adverse reactions to health or the environment which are alleged to have been caused by their chemicals. Under the new bill, the Administrator must issue rules requiring the maintenance of such records.

Standard for section 8(e)—Notification Requirement, p. 128.

Under H.R. 10318, a manufacturer, processor or distributor of a chemical must immediately notify the Administrator if he obtains information which reasonably supports the conclusion that his chemical may cause or contribute to an unreasonable risk. Under the new bill, the manufacturer, processor or distributor must report if he obtains information which reasonably supports the conclusion that the chemical causes or significantly contributes to a substantial risk.

#### Section 9, Relationship to Other Federal Laws, p. 131

Under H.R. 10318 EPA is instructed to use other Federal laws administered by it (e.g., the Clean Air Act, the Water Pollution Control Act) to protect against a dangerous chemical unless EPA determines that the chemical may be more appropriately protected against using the toxic substances act. Under the new bill, if a risk from a chemical could be eliminated or reduced to a sufficient extent using other EPA laws, EPA is to use them unless it determines it is in the public interest to use the toxic substances act. EPA must include a finding regarding the public interest when it takes action under the toxic substances act.

#### Section 11, Inspections, p. 134

Section 11 of H.R. 10318 authorizes EPA to conduct inspections of places where chemicals are manufactured, processed and stored to inspect items relating to compliance with the Act. EPA must present a written notice to the owner of the premises to be inspected. The new bill provides that if EPA wants to inspect financial data, certain sales data, pricing data, personnel data, or certain research data, it must describe the nature and extent of the data in the written notice.

#### Section 14, Disclosure of Data

Confidentiality, p. 139.

H.R. 10318 authorizes the release of trade secret information to officers and employees of the United States in connection with their official duties. The new bill requires that such officers or employees be involved in the protection of health or the environment or in a specific law enforcement activity. The new bill also adds the additional penalty of imprisonment for up to one year for someone who willfully and knowingly discloses trade secret information.

Release of formulations under section 14(b), p. 140.

H.R. 10318 specifically provides that the trade secret provision does not prohibit the release of health and safety studies. The new bill adds that this provision does not authorize the release of data which discloses the formulation of a mixture.

#### Section 16, penalties

Repeal of statutory definition of knowingly, p. 144.

The new bill strikes the definition of "knowingly" contained in H.R. 10318.

#### Section 18, preemption

Repeal of state banning authority under preemption provision, p. 147.

H.R. 10318 would permit a state to impose a ban of a harmful chemical irrespective of whether or not the Administrator had issued a rule regulating the same harmful chemical. Under the new bill, the Administrator's rule would preempt the field, and the state could not impose a ban without getting the consent of the Administrator.

#### Section 21, citizen's petitions

Citizen's Petitions, p. 154.

Under H.R. 10318, if a petitioner can show that a chemical presents a risk, a court may order the Administrator to initiate a rulemaking proceeding to regulate the chemical. The new bill would allow the Administrator to use his own priorities and resources as an argument to convince the court not to require him to initiate the rulemaking proceeding.

#### Employment Effects, p. 161.

The new bill would add a new section which would authorize the Administrator to investigate and conduct hearings on job layoffs threatened because of rules issued under the toxic substances act. The Administrator is to make findings and recommendations after a hearing.

#### Section 26, authorization for appropriations, p. 164

Because of the failure to meet the Budget Act deadline of May 15, the authorization for 1977 has been deleted from the bill. The new bill authorizes appropriations for fiscal years 1978, 1979, and 1980.

### THE UNITED METHODIST CHURCH SETS POLICY ON UNEMPLOYMENT

#### HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 26, 1976

Mr. HAWKINS. Mr. Speaker, it pleases me to call to the attention of the Members this statement on unemployment by the board of church and society, the United Methodist Church. The statement expresses a deep concern with the social costs both immediate and long-range of high unemployment, coupled with a questioning of the relevance of the inflation-unemployment tradeoff theory. The statement, accompanied by a cover letter dated January 6, 1976 from Luther E. Tyson, the director of the Department of Economic Life, follows:

BOARD OF CHURCH AND SOCIETY OF THE UNITED METHODIST CHURCH,  
January 6, 1976.

Hon. AUGUSTUS F. HAWKINS,  
House of Representatives,  
Washington, D.C.

DEAR MR. HAWKINS: You are to be commended for your vigorous leadership in sponsoring legislation that would ensure equal opportunity and full employment for all citi-

## EXTENSIONS OF REMARKS

May 26, 1976

zens of the United States. Your thinking, writing and action on this subject is instrumental in creating an informed public opinion supportive of the goals proposed in H.R. 50.

Enclosed is a policy statement on "Unemployment" adopted by the Board of Church and Society of The United Methodist Church at its Annual Meeting in October 1975. It expresses a moral concern for the plight of the unemployed in our society and suggests policies which would be useful in lowering the unemployment rate.

This statement represents a continuation of a historical interest on the part of The United Methodist Church in the question of full employment. Family units cannot be secure nor can there be human dignity in a society where unemployment is utilized as a public policy to control inflation. We commend you for your forthright leadership in this area of vital interest to the American worker.

Sincerely yours,

LUTHER E. TYSON, Ph. D.,  
Director, Department of Economic Life.

A POLICY STATEMENT ON UNEMPLOYMENT,  
BOARD OF CHURCH AND SOCIETY, THE UNITED  
METHODIST CHURCH

T

Historically, the United Methodist Church has been concerned with the moral issues involved with the social problem of unemployment. Governmental policies have been called for that would insure full employment in order that workers may fully participate in society with dignity, so that families may be economically secure, and so that the nation may achieve coherent high priority goals. These statements have appeared in various versions of The Social Creed, in statements from boards and agencies of the church, and in resolutions from The General Conference.

II

This subject must be addressed once more. Americans are currently experiencing the longest and deepest recession since the Great Depression of the 1930's. The official unemployment rate for the first five months of 1975 was 8.6 percent. The consumer price index rose 11 percent in 1974.

From 1946 to 1974, the official unemployment rate averaged 4.7 percent. By European standards this is a high average and masks an upward drift. In the decade of 1950-59, unemployment in the United States averaged 4.51 percent; in the decade of 1960-69, the average was 4.78 percent; in the first five years of the 1970's, unemployment averaged 5.4 percent; and, the projected rates made in the President's January 1975 Economic Report for the next five years of the 1970's is 7.5 percent.<sup>1</sup> Each percentage point currently represents approximately 900,000 workers who are jobless. There is a burdensome psychological, social, and economic cost to the nation for this high level of unemployment. These present and projected high levels of unemployment represent "an acute crisis superimposed on a long-term crisis that stems from the chronic failure of our economy to generate an adequate supply of decent paying jobs."<sup>2</sup>

III

Various studies have shown that the social costs of unemployment are both immediate and long term. The effects linger for decades. Between 1953 and 1974, the average American family forfeited a total income of \$18,750 due to unemployment.<sup>3</sup> Income was lost that could have gone into housing, health, education, food, and recreation. A 1969 Labor Department study of young workers showed that "inability to get part-time work meant having to leave school, even below the col-

lege level."<sup>4</sup> Levitan and Taggart concluded, "careful studies have indicated a significant positive correlation between juvenile delinquency and unemployment."<sup>5</sup> Frank Furstenberg examined the findings of 46 studies and concluded that "economic uncertainty brought on by unemployment and marginal employment is a principal reason why family relations deteriorate."<sup>6</sup> When Patrick V. Murphy, President of the Police Foundation, was asked what he would do to help reduce crime, he said he would recommend "reducing the unemployment in the central city."<sup>7</sup> Professor M. Harvey Brenner of John Hopkins School of Hygiene and Public Health fears that "if the current recession persists, it will bring a dramatic rise in mental illness, alcoholism and suicide."<sup>8</sup> Professor Brenner studied the relationship between unemployment and mental hospitalization between 1922-1968 and concluded that there is a positive relationship between recessions and mental disorders.

"As employment drops, mental hospital admissions rise."<sup>9</sup> Braginsky and Braginsky concluded from their studies: "Regardless of how a person becomes surplus, he or she is socially transformed. Lifestyles, expectations, goals, roles and appearance all change... The trauma leaves a permanent scar... long after the victim moves out of surplus status and back into the social mainstream."<sup>10</sup> One of the primary hindrances to the institutionalization of coherent public full-employment policies is callousness to these social facts, both in the private and political sectors.

IV

Americans tend to be more tolerant of a high unemployment rate than are the citizens of other developed countries.<sup>11</sup> Furthermore, the size of the unemployment problem is consistently understated in the United States because of the definition used for counting the employed and the unemployed. "Unemployed" is defined as being out of work during the survey week, available for work, and having looked for a job during the past four weeks. An employed person is one who has worked for pay any time during the survey week.<sup>12</sup> A partial explanation for this tolerance of unemployment may be found in a popular belief system that posits a trade-off of unemployment for lower prices.

A popular misunderstanding of the Phillips Curve holds that full employment leads to rising prices and high unemployment means less inflation. However, since the experience of "stagflation" in the economy (rising unemployment accompanied with rising inflation) have begun to waver. In fact, many economists do not believe there is a proven relationship between employment levels and price levels. "This theory, sometimes called the 'trade-off', has been refuted by the overwhelming weight of experience during two decades or longer, and especially during the most recent years."<sup>13</sup> Even *The Economic Report of the President, 1975* concedes that the "trade-off" theory is difficult to defend: "Despite considerable empirical work allowing for the role of further variables and lags, it has proved difficult to defend the claim of a long-run Phillips trade-off (sic) between inflation and unemployment."<sup>14</sup> However, public policies which result in higher joblessness continue to be pursued based upon this trade-off assumption even though no positive correlation between the level of employment and prices has been clearly demonstrated.

An alternative explanation for inflation can be found in a "multiple causation" theory. Administered prices, the cost of wars, the rising world demand for commodities, the energy shortages, the food shortages, currency devaluations, profits, taxation, interest rates, and monetary and fiscal policies are among the contributing factors to infla-

tionary pressures. There is surely a persistent push toward inflation caused by military expenditures. The 1974 Report of the Joint Economic Committee summarized:

Defense spending tends to be inflationary. Defense goods and services cannot be consumed by the public, and to the extent that they are employed by the military, they are unavailable for civilian purposes. The removal of goods and services from the civilian economy may create or contribute to shortages. Defense programs inject expenditures into the economy but they do not produce goods and services to satisfy consumer needs. Arms are not sold to the public.<sup>15</sup>

In fact, 68% of all federal purchases were for military expenditures in 1974.<sup>16</sup> Dollars spent for military procurement create fewer jobs than the same dollars spent for civilian needs.<sup>17</sup> This multiple approach to the causes of inflation furnishes a more coherent explanation than does the "trade-off" theory and is suggestive for policy changes to deal both with joblessness and inflation.

V

Following World War II, the Senate passed The Full Employment Bill of 1945 which declared that "all Americans able to work and seeking work have the right to useful, remunerative, regular and full-time employment...".<sup>18</sup> This "right to employment" bill was defeated in the House of Representatives. Instead, The Employment Act of 1946, a weaker substitute was passed. This law states that the federal government has the responsibility to create conditions "under which there will be afforded employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power."<sup>19</sup> A more vague concept, "maximum employment", was substituted for the concrete goal of full employment. In fact, however, the promise of "maximum employment" was never realized. Monetary and fiscal policies have been knowingly followed in order to create joblessness. The word "feasible" has crept in as a modifier of "maximum employment". In 1975, "maximum employment" is being defined as at about 5% unemployment by the Administration.<sup>20</sup> Almost three decades decades after the 1946 act, it is time to develop public policies that incorporate the following in order to achieve full employment.

1. It should become a recognized public policy that every citizen of the United States has a right to meaningful, useful, rewarding employment contributing to the public good at a wage that is supportive of an adequate standard of living with human dignity.

2. In order to realize this right, the federal, state, and local governments should institute a planning process which develops policies and programs through which a full employment economy is achieved.

3. This planning process should include an analysis of the changing volume and composition of the labor supply in order to develop policies to deal with involuntary unemployment and underemployment; with discrimination in jobs based on sex, age, race, color, religion or national origin; and, with the problems of the work environment, the quality of work, job satisfaction, labor-management relations, and worker participation in employment decisions.

4. Public policy should be developed to achieve full employment practices along with reductions in annual hours of paid work, flexible work schedules, paid vacation and sabbaticals, and more extensive combinations of education and employment.

5. Public service jobs and sheltered workshops should be created by an office whose function would be to provide useful and rewarding employment for any American, able and willing to work and unable otherwise to obtain work. Consideration should

be planned for such individuals and groups as have faced special obstacles in finding and holding useful and rewarding employment, e.g., those suffering discrimination, the physically or mentally handicapped, older workers, youths, veterans, inhabitants of depressed areas, and workers displaced by the relocation, closing, or reduced operations of industrial facilities.

6. Other national economic goals, such as stable prices and a favorable balance of trade, should be sought without limitations or compromising the right to employment.

7. Day-care centers should be created so that working parents may pursue their work in peace of mind that their children are receiving adequate nurture and care.

8. Unemployment insurance coverage should be extended to cover all of the unemployed. Benefits should be expanded to meet the real economic needs of the jobless.<sup>22</sup>

9. Fiscal and monetary policy should be utilized for the goal of creating a vital economy and full employment.<sup>23</sup>

10. Production should be geared to meet coherent priority goals of the nation, e.g., mass transit, energy, housing, health, education, rural and urban renaissance, and the environment.

#### FOOTNOTES

<sup>21</sup> By inspection, *The Economic Report of the President, 1975* (Washington, D.C.: U.S. Government Printing Office, 1975), Table C-26, p. 279. The projections into the last half of the 1970's are quoted in Keyserling, "To Procrastinate or To Plan," *Viewpoint*, vol. 5, no. 2, Second Quarter, 1975, p. 3.

<sup>22</sup> Leon Keyserling estimates that between 1953 through 1974, we forfeited more than \$2.6 trillion worth of gross national product (1974 dollars) due to unemployment and underproduction. About \$700 billion worth of local, state, and federal revenues were thus lost. These revenues could have been used for both a rural and urban renaissance. See Keyserling, *ibid.*, p. 3.

<sup>23</sup> Helen Ginsburg, *Unemployment, Subemployment, and Public Policy* (New York: New York University, School of Social Work; Center for Studies in Income Maintenance Policy, 1975), p. iii.

<sup>24</sup> Leon H. Keyserling, *Full Employment Without Inflation* (Washington, D.C.: Conference on Economic Progress, 1975), p. 9.

<sup>25</sup> Vera C. Perrella, "Young Workers and Their Earnings," *Monthly Labor Review* (U.S. Government Printing Office, 1971), vol. 94, July 1971, p. 6.

<sup>26</sup> The Twentieth Century Fund, *The Job Crisis for Black Youth* (New York: Praeger, 1971), p. 29.

<sup>7</sup> Report of a Special Task Force to the Secretary of Health, Education and Welfare, *Work in America* (Washington, D.C.: December 1972), p. 147.

<sup>8</sup> *The Washington Post*, August 11, 1975, p. 2.

<sup>9</sup> Quoted by Berkeley Rice, "The Worry Epidemic," *Psychology Today*, August 1975, p. 74. *Ibid.*, p. 75.

<sup>10</sup> Dorothy D. Braginsky and Benjamin M. Braginsky, "Surplus People: Their Lost Faith in the Self and System," *Psychology Today*, August 1975, p. 70.

<sup>11</sup> For example, unemployment in the United States averaged about 4.8 percent in the years 1960-70. During this same period, unemployment in Germany was .6 percent; in Japan, 1.8 percent; in Sweden, 1.7 percent; in France, 2.0 percent; and, in Great Britain, 3.1 percent. On the average, unemployment in the U.S. was 276 percent higher than in these developed countries in the same time span. Also, when these developed countries attempted to control inflation by repressing the economic growth of the country, the result was less growth and more inflation. For a discussion, see Keyserling, *op. cit.*, p. 24.

<sup>12</sup> See *Monthly Labor Review* (Washington, D.C.: U.S. Government Printing Office, July 1975), p. 75.

It follows from the definition that working one hour per week qualifies a person as being employed. Also, the definition excludes from unemployment those persons who become discouraged and do not believe there is work and do not seek work after four weeks of unemployment. In April, 1975, part-time unemployment reached 1.7 percent of the civilian labor force; concealed unemployment, those who became discouraged, reached 1.2 percent of the labor force. When these additions are made to the official unemployment rate in April of 8.9 percent, the result is a rate of approximately 11.7 percent or more than 10.5 million people. See Keyserling, "To Procrastinate or To Plan," *op. cit.*, p. 2.

Nor do the official unemployment statistics take into account the quality of jobs. There are many persons working full-time who still earn less than poverty line wages. In 1966, the Labor Department developed a subemployment index which included five groups: (1) the officially unemployed, (2) involuntary part-time workers, (3) an estimate of the male 'undercount' in the census, assuming half the missing males to be subemployed, (4) an estimate of the number of adult male discouraged workers, (5) full-time workers with wages under the poverty threshold. After conducting ten intensive surveys in inner-city poverty areas, the U.S. Department

of Labor discovered that subemployment ranged from 24 percent in Boston to 47 percent in San Antonio in these impacted areas. The average unemployment rate at the time was 3.7 percent. In 1970 the unemployment rate was 5 percent, a subsequent study by a Senate subcommittee discovered subemployment to range from a low of 50 percent in the poverty areas of St. Paul to a high of 73 percent in the poverty areas of San Antonio. This is the core of the urban crisis and it is worsening. For further discussion, see Ginsburg, *op. cit.*, pp. 94-114.

<sup>13</sup> Keyserling, *Full Employment Without Inflation*, *op. cit.*, p. 4.

<sup>14</sup> *The Economic Report of the President, 1975*, *op. cit.*, p. 96.

<sup>15</sup> U.S. Congress, Joint Economic Committee, *Joint Economic Report on the 1974 Economic Report of the President*, 93rd Congress, 2nd Session (Washington, D.C.: U.S. Government Printing Office, 1974), p. 64.

<sup>16</sup> *Economic Report of the President, 1975*, *op. cit.*, Table C-1, p. 249.

<sup>17</sup> One billion dollars spent on defense creates 92,000 jobs; the same amount spent on meeting domestic needs by state and local governments creates 110,000 jobs. Testimony given by Bennett Harrison, "Testimony before Senate Subcommittee on Employment, Manpower, and Poverty, April 26, 1975," in *Comprehensive Manpower Reform, 1972: Hearings part 5* (Washington, D.C.: U.S. Government Printing Office, 1972), p. 1579.

<sup>18</sup> Council of Economic Advisers, "The Employment Act: Twenty Years of Experience," in John A. Delehanty (ed.), *Manpower Problems and Policies* (Scranton, Pa.: International Textbook Co., 1969), p. 5.

<sup>19</sup> Quoted in Ginsburg, *op. cit.*, p. 5.

<sup>20</sup> Ginsburg, *op. cit.*, p. 27.

<sup>21</sup> Only 41.4 percent of those officially unemployed were covered by unemployment insurance in 1974. Those covered received a benefit which averaged 36 percent of average weekly earnings in covered employment. See *Economic Report of the President, 1975*, *op. cit.*, Table 36, p. 122.

<sup>22</sup> The cost of the present recession is astronomical. The Committee on the Budget of the U.S. Senate reported that the present recession is costing \$200 billion in lost product; \$53 billion in lost federal revenues; and a rise of \$15 billion in the cost of programs designed to aid the jobless. See U.S. Senate Committee on the Budget, *First Congressional Resolution on the Budget—Fiscal Year 1976, 94th Congress, 1st Session* (Washington, D.C.: U.S. Government Printing Office, 1975), p. 114.

## HOUSE OF REPRESENTATIVES—Thursday, May 27, 1976

The House met at 10 o'clock a.m.

Rev. Michael D. Anglin, Church of Christ, Arlington, Va., offered the following prayer:

Almighty God, we come today not out of convention, but conviction of personal need. We recognize You as Creator and the genuine Ruler over Your world. As Your people, endowed with a freedom to choose between You and self, help those who sit in this Chamber to faithfully exercise their responsibility as elected representatives of the people of these United States by receiving wisdom and strength which is beyond themselves to face the challenging opportunities which today holds. May Your presence in their lives result in right choices and courageous consciences through which Your will be done and Your name glorified. Then may they know the best has been done for the

people and that they have truly become Your representatives upon the Earth. In Jesus' name. Amen.

#### THE JOURNAL

The SPEAKER pro tempore (Mr. McFALL). The Chair has examined the Journal of the last day's proceedings and, without objection, announces to the House his approval thereof.

There was no objection.

#### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendments of the House with an amendment to a bill of the Senate of the following title:

<sup>23</sup> S. 1466. An act to amend the Public Health Service Act to extend and revise the program of assistance for the control and prevention of communicable diseases, and to provide for the establishment of the Office of Consumer Health Education and Promotion and the Center for Health Education and Promotion to advance the national health, to reduce preventable illness, disability, and death; to moderate self-imposed risks; to promote progress and scholarship in consumer health education and promotion and school health education; and for other purposes.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill and concurrent resolution of the House of the following titles:

<sup>24</sup> H.R. 12438. An act to authorize appropriations during the fiscal year 1977 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and