

## HOUSE OF REPRESENTATIVES—Thursday, February 24, 1977

The House met at 11 o'clock a.m.  
The Reverend Mihkel Soovik, Estonian Evangelical Lutheran Church, Detroit, Mich., offered the following prayer:

Let us pray:  
*I lift my eyes to the hills, whence my help comes.—Psalms 121: 1.*

We lift our eyes toward You, O Lord, and humbly beseech Your presence. Give us spirit of fairness, sensitivity for justice, and deep respect for rights of people.

We bring before You those nations deprived of their sovereign rights by ideological schemes and physical power. Today we remember the three Baltic countries: Estonia, Latvia, and Lithuania; especially Estonia, my former beautiful home. Give them courage, perseverance, and hope.

Mercifully look upon the President, Vice President, and the Government of our country. Guide decisions in the Senate and this worthy assembly. Bless every effort that we may be united as free and responsible people in defense of dignity and rights of humans everywhere.

In the name of suffering Jesus. Amen.

### THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

### COMMUNICATION FROM THE CLERK OF THE HOUSE—SUBPENA IN THE MATTER OF EDWARD A. GARMATZ

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.  
February 23, 1977.

HON. THOMAS P. O'NEILL, Jr.,  
The Speaker, House of Representatives,  
Washington, D.C.

DEAR MR. SPEAKER: On February 2, 1977, I was served with the attached subpoena duces tecum and the accompanying order of the United States District Court for the District of New Jersey.

The subpoena directs me to appear before the Grand Jury on February 15, 1977 and to bring with me the documents named therein, and the accompanying order of the court declares that such documents are necessary, material, and relevant to a pending criminal investigation regarding possible violations of Title 18, United States Code, Section 201. Previous to that date, an extension of time within which to comply with the subpoena was agreed to by representatives of the United States Attorney's office and a letter confirming such extension is forthcoming.

In response to the subpoena and order, the attached letter and certification were transmitted to the United States Attorney for the District of New Jersey.

Accordingly, I am hereby transmitting to you the subpoena and accompanying order of the court, together with my response to said subpoena and the certification thereto

and the matter is presented to the House for such action as it deems appropriate.

With kind regards, I am,  
Sincerely,

EDMUND L. HENSHAW, Jr.,  
Clerk, House of Representatives.

### THE GOALS OF THE 95TH CONGRESS

(Mr. EVANS of Delaware asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Delaware. Mr. Speaker, as a new Member of this Congress and this House, I have been very concerned that sometimes our good intentions are not manifest in the actions taken on the floor of the House.

I hear talk about the taxpayer's taking it on the chin; I hear talk about the fact that the average workingman and woman is paying more and more in taxes. The value of their dollar is shrinking, and yet we do nothing about it.

We have a goal of attempting to balance the budget in 1980, so the administration says, but the plans that we establish to achieve that goal are very inconsistent with the objective.

Our Government must do many things for many people, and properly so—provide for our national defense, help to improve housing, help to achieve quality education, just to name a few.

However, if we destroy the private sector, we will ultimately be unable to provide services as a government, for the public sector is dependent on what the private sector provides.

So, Mr. Speaker, I would hope that we will preserve and strengthen the private sector by strengthening productivity, individual initiative and incentive. Then we will be able to deliver as a government those vital services so necessary for the well-being of all people.

### PROVIDING FOR CONSIDERATION OF H.R. 11, LOCAL PUBLIC WORKS CAPITAL DEVELOPMENT AND INVESTMENT ACT AMENDMENTS

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 304 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 304

*Resolved*, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11) to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works and Transportation, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute

recommended by the Committee on Public Works and Transportation now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and all points of order against said substitute for failure to comply with the provisions of clause 7, rule XVI, are hereby waived. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Illinois (Mr. MURPHY) is recognized for 1 hour.

Mr. MURPHY of Illinois. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 304 provides for the consideration of H.R. 11, the Local Public Works Capital Development and Investment Act amendments. This resolution provides for an open rule with 1 hour of general debate. House Resolution 304 further provides that the committee substitute be in order as an original bill for the purpose of amendment.

House Resolution 304 waives section 402(a) of the Congressional Budget Act to permit consideration of this bill. Section 402(a) prohibits the consideration of bills providing new budget authority not reported by May 15 of the preceding year. Since H.R. 11 authorizes the enactment of new budget authority for fiscal year 1977, it violates the Budget Act. However, the Budget Committee has no objection to the waiver. The bill provides economic stimulus initiatives contemplated in the third budget resolution which passed the House yesterday.

The rule also waives points of order against the substitute for failure to comply with the provisions of clause 7, rule XVI, which requires all amendments to be germane. This waiver is necessary because section 5 of the committee substitute is not germane to the original bill.

H.R. 11 authorizes an additional \$4 billion to the \$2 billion previously authorized for fiscal 1977 in direct Federal grants for local public works projects. This bill is expected to generate 600,000 new jobs largely in the construction and related industries in areas hit hardest by unemployment.

H.R. 11 requires EDA—the Economic Development Administration—to consider an applicant's average unemployment for the preceding 12 months instead of just the previous quarter in order to take into consideration seasonal fluctuations in the unemployment rate. The bill states that projects approved

must be located in the community whose unemployment rate was used in the application for the project. H.R. 11 prohibits any project from being constructed by any State or local government through the use of its employees.

This bill makes needed changes in the present law to insure a more equitable distribution of projects and to simplify administrative regulations. This legislation will help our Nation's financially pressed communities while creating jobs for the unemployed in the construction industry. There is an urgent need for this legislation. I urge the adoption of House Resolution 304 that we may discuss and debate H.R. 11.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 304 provides an open rule with 1 hour of general debate for the consideration of H.R. 11, the Local Public Works Capital Development and Investment Act amendments. In order to expedite the amending process, the rule provides that the committee substitute will be in order as an original bill for the purpose of amendment. The rule also waives section 402 (a) of the Budget Act. This waiver is necessary since this bill was not reported in time to meet the May 15 deadline. In addition, the rule provides a waiver of clause 7, rule XVI, which is the germaneness rule. This waiver is provided because the committee substitute contains material not germane to the original bill.

H.R. 11 adds \$4 billion to the \$2 billion previously authorized for fiscal year 1977 in the Local Public Works Capital Development and Investment Act of 1976. The bill also makes substantive revisions in the law.

As a former member of the Budget Committee, I support the maintenance of a balanced budget that President Carter proposed and supported during his campaign for the Presidency. How soon we forget!

Mr. Speaker, the 94th Congress passed a bill authorizing \$2 billion for use in local public works projects across the Nation. It is almost unanimously agreed that this initial program is not yet off the ground. Congress should now be patient enough to see what the effect this stimulus will have on our economy before rushing forward spending money we do not have and must borrow, and increase the already burdensome public debt.

Further, the urgent administration request for this legislation is based on "doom-saying" about the economy which is hard to accept when, for example, a major automobile manufacturer, always a fairly good economic barometer, can announce a larger profit in 1976 than it has had in years. I hasten to add that the observation is offered without the suggestion attributed to a former Secretary of Defense that what is good for a major automobile firm is good for the Nation. I would suggest that instead of depending on the shaky premise that an ailing economy will be assisted by a program of public works with benefits as yet unproven, we ask ourselves some serious counter

questions regarding the contribution of this bill to an inflationary spiral already threatening to run out of control.

Mr. Speaker, the rule should be voted down and failing that, which I am confident will happen, the House should defeat the bill.

Mr. Speaker, I have no further requests for time and reserve the balance of my time.

Mr. MURPHY of Illinois. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appear to have it.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 384, nays 5, not voting 42, as follows:

[Roll No. 27]

YEAS—384

Abdnor	Burlison, Mo.	Evans, Colo.
Addabbo	Burton, Phillip	Evans, Del.
Akaka	Butler	Evans, Ga.
Alexander	Byron	Evans, Ind.
Allen	Caputo	Fary
Ambro	Carney	Fascell
Ammerman	Carr	Fenwick
Anderson,	Cavanaugh	Findley
Calif.	Cederberg	Fish
Anderson, Ill.	Chappell	Fisher
Andrews, N.C.	Chisholm	Fithian
Andrews,	Clausen,	Flippo
N. Dak.	Don H.	Flood
Annunzio	Clay	Florio
Applegate	Cleveland	Flowers
Archer	Cochran	Flynt
Armstrong	Cohen	Foley
Ashbrook	Coleman	Ford, Tenn.
Ashley	Collins, Ill.	Forsythe
Aspin	Collins, Tex.	Fraser
AuCoin	Conable	Frenzel
Badillo	Conte	Frey
Bafalos	Conyers	Fuqua
Baldus	Corcoran	Gaydos
Barnard	Cornell	Gephardt
Baucus	Cornwell	Gialmo
Beard, R.I.	Cotter	Gibbons
Beard, Tenn.	Coughlin	Gilman
Bedell	Crane	Ginn
Beilenson	D'Amours	Glickman
Benjamin	Daniel, Dan	Goldwater
Bennett	Daniel, R. W.	Gore
Bevill	Danielson	Gradison
Biaggi	Davis	Grassley
Bingham	de la Garza	Gudger
Blanchard	Delaney	Guyer
Blouin	Dellums	Hagedorn
Boggs	Derrick	Hall
Boland	Derwinski	Hamilton
Bonior	Dickinson	Hammer-
Bonker	Dicks	schmidt
Bowen	Diggs	Hanley
Brademas	Dingell	Hannaford
Breaux	Dodd	Harkin
Breckinridge	Downey	Harrington
Brinkley	Drinan	Harris
Brodhead	Duncan, Oreg.	Harsha
Brooks	Duncan, Tenn.	Heckler
Broomfield	Early	Hefner
Brown, Calif.	Edgar	Heftel
Brown, Mich.	Edwards, Ala.	Hightower
Brown, Ohio	Edwards, Calif.	Hillis
Buchanan	Edwards, Ok.a.	Holland
Burgener	Ellberg	Hollenbeck
Burke, Calif.	Emery	Holt
Burke, Fla.	English	Holtzman
Burke, Mass.	Erlenborn	Horton
Burleson, Tex.	Ertel	Hubbard

Huckaby	Montgomery	Sebelius
Hughes	Moore	Seiberling
Hyde	Moorhead,	Sharp
Ichord	Calif.	Shiple
Ireland	Moorhead, Pa.	Shuster
Jacobs	Moss	Sikes
Jeffords	Mottl	Simon
Jenkins	Murphy, Ill.	Sisk
Jenrette	Murphy, N.Y.	Skelton
Johnson, Calif.	Murphy, Pa.	Skubitz
Johnson, Colo.	Murtha	Slack
Jones, Okla.	Myers, Gary	Smith, Nebr.
Jones, Tenn.	Myers, Ind.	Snyder
Jordan	Myers, Michael	Solarz
Kasten	Natcher	Spellman
Kastenmeier	Nedzi	Spence
Kazen	Nichols	Staggers
Kelly	Nix	Stark
Kemp	Nolan	Steed
Ketchum	Nowak	Steers
Keys	Oberstar	Steiger
Kildee	Obey	Stockman
Koch	O'Brien	Stokes
Kostmayer	Ottinger	Stratton
Krebs	Panetta	Studds
LaFalce	Patten	Stump
Lagomarsino	Patterson	Taylor
Latta	Pattison	Thompson
Le Fante	Pepper	Thone
Leach	Perkins	Thornton
Lederer	Pickle	Tonry
Lehman	Pike	Traxler
Lent	Poage	Treen
Levitak	Pressler	Trible
Lloyd, Calif.	Preyer	Tsongas
Lloyd, Tenn.	Price	Tucker
Long, La.	Pritchard	Udall
Long, Md.	Pursell	Ullman
Lott	Quayle	Van Deerlin
Lujan	Quillen	Vander Jagt
Luken	Rahall	Vanik
Lundine	Rangel	Vento
McCloskey	Regula	Volkmer
McCormack	Rhodes	Waggoner
McDade	Rinaldo	Walgren
McEwen	Risenhoover	Walker
McFall	Roberts	Walsh
McHugh	Robinson	Wampler
McKay	Rodino	Watkins
McKinney	Roe	Weaver
Madigan	Rogers	Weiss
Maguire	Roncalio	Whalen
Mahon	Rooney	White
Mann	Rose	Whitehurst
Marks	Rosenthal	Whitley
Marlenee	Rostenkowski	Wilson, Bob
Marrriott	Rousselot	Wilson, C. H.
Martin	Roybal	Wilson, Tex.
Mattox	Rudd	Winn
Mazzoli	Runnels	Wirth
Meeds	Ruppe	Wolf
Meyner	Russo	Wright
Mikulski	Ryan	Wylder
Millford	St Germain	Wyllie
Miller, Calif.	Santini	Yates
Miller, Ohio	Sarasin	Yatron
Mineta	Satterfield	Young, Fla.
Mnish	Sawyer	Young, Mo.
Mitchell, N.Y.	Scheuer	Young, Tex.
Moakley	Schroeder	Zablocki
Moffett	Schulze	Zeferetti
Mollohan		

NAYS—5

Badham	Clawson, Del	McDonald
Bauman	Kindness	

NOT VOTING—42

Bolling	Hansen	Oakar
Broyhill	Hawkins	Pease
Burton, John	Howard	Pettis
Carter	Jones, N.C.	Railsback
Corman	Krueger	Reuss
Dent	Leggett	Richmond
Devine	McClory	Smith, Iowa
Dornan	Markey	Stanton
Eckhardt	Mathis	Symms
Ford, Mich.	Metcalfe	Teague
Fountain	Michel	Waxman
Gammage	Mikva	Whitten
Gonzalez	Mitchell, Md.	Wiggins
Goodling	Neal	Young, Alaska

The Clerk announced the following pairs:

Mr. Teague with Mr. Broyhill.  
 Mr. Dent with Mr. Dornan.  
 Mr. Dent with Mr. Drinan.  
 Ms. Oakar with Mr. Krueger.  
 Mr. Eckhardt with Mr. Carter.  
 Mr. Hawkins with Mr. Hansen.  
 Mr. Howard with Mr. Markey.

Mr. Jones of North Carolina with Mr. Michel.  
 Mr. John Burton with Mr. Devine.  
 Mr. Mitchell of Maryland with Mr. Gammage.  
 Mr. Waxman with Mr. Pease.  
 Mr. Richmond with Mr. Leggett.  
 Mr. Smith of Iowa with Mr. Goodling.  
 Mr. Mathis with Mr. McClory.  
 Mr. Metcalfe with Mrs. Pettis.  
 Mr. Mikva with Mr. Railsback.  
 Mr. Fountain with Mr. Wiggins.  
 Mr. Ford of Michigan with Mr. Stanton.  
 Mr. Reuss with Mr. Neal.  
 Mr. Whitten with Mr. Symms.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

#### PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORTS

Mr. SISK. Mr. Speaker, on behalf of the Committee on Rules, I ask unanimous consent that it may have until midnight Friday to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, could the gentleman explain the request? What reports are to be filed?

Mr. SISK. At present, a rule has been granted by the Committee on Rules on regulation Q, which is a bill out of the Committee on Banking, Finance and Urban Affairs, which will be filed, I am sure, sometime later today.

The committee expects to complete its hearings and to file a rule on the ethics bill, House Resolution 287. Basically, as far as this Member knows, those are the two that we would expect to file under the unanimous-consent request.

Mr. BAUMAN. The gentleman has asked for midnight Friday?

Mr. SISK. Yes, that is correct.

Mr. BAUMAN. It is the understanding of the gentleman from Maryland that we are going to be in session tomorrow, anyway. I have no objection to the banking bill, but again I would like to see the form in which the Committee on Rules completes the action.

I wonder if the gentleman could just confine his request to the banking bill at this point.

Mr. SISK. Mr. Speaker, of course, I would like to have had the additional; but so far as I am concerned, I asked unanimous consent that we have until midnight tonight to file the banking bill report.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

#### LOCAL PUBLIC WORKS CAPITAL DEVELOPMENT AND INVESTMENT ACT AMENDMENTS

Mr. ROE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of

the Union for the consideration of the bill (H.R. 11) to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976.

The SPEAKER. The question is on the motion offered by the gentleman from New Jersey (Mr. ROE).

The motion was agreed to.

#### IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11, with Miss JORDAN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from New Jersey (Mr. ROE) will be recognized for 30 minutes, and the gentleman from Arkansas (Mr. HAMMER-SCHMIDT) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. ROE).

Mr. ROE. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, the bill before you today, H.R. 11, amends and increases the authorization for the Local Public Works Capital Development and Investment Act of 1976. There can be no question that an extension of the local public works program is vital to our national economic recovery. There are still some 8 million Americans unemployed today, and unemployment rates in the construction and material trades industries are still two to three times higher than that of the general economy. President Carter has recognized the need for a continuation of this program as part of the Nation's economic recovery package and has requested the full authorization of \$4 billion in the revised budget request that the Congress received this week.

Madam Chairman, the success of the 1976 local public works—LPW—program clearly attests to the need and support for additional funds for public works job creation. The response to the original \$2 billion appropriated last year was absolutely overwhelming: within a 6-week period over 25,000 applications were received by the EDA totaling nearly \$24 billion of requested funds. The size of this response has clearly confirmed the fact that there is an enormous backlog of useful public facility projects throughout the country that can be moved forward immediately if the necessary funding is available. It is also clear that any program which has \$2 billion to distribute and applicants seeking \$24 billion is bound to cause disappointment. The Economic Development Administration received 12 times the number of applications which could be accommodated. Today, the EDA has on hand \$20 billion in applications representing some 20,000 projects which could be approved and funded immediately. In addition, there are another 4,000 applications for over \$4 billion which need some changes but could be ready for approval within a few weeks. Prompt enactment of this extension bill will enable the EDA to immediately release the additional funds for

these applications already on file, and put our people back to work.

Madam Chairman, I want to emphasize that we have proven without a doubt that public works projects can be expedited with a minimum of redtape and that we can put our people back to work within a relatively short period of time. We have a delivery system in place at the Economic Development Administration that works. The projects that were funded under the first \$2 billion were badly needed local public facilities—hospitals, schools, water and sewer lines, repairs on streets, roads and bridges, construction of recreational buildings, courthouses and other municipal buildings—these are all worthwhile projects that were funded under the 1976 local public works program. They were not make-work projects but projects that offered meaningful work to the unemployed and a lasting improvement to the cities and towns of our Nation.

Madam Chairman, I want to also emphasize that the reason this program has worked so well—the reason that we were able to move so quickly to implement this program—is that the Committee on Public Works and Transportation very carefully designed this program so that it could be implemented as efficiently and expeditiously as possible, avoiding the long lag time sometimes associated with public works construction. We designed this program to have an immediate anti-recessionary impact on the economy. Public works projects obviously have a long term impact in the benefits they provide to a community in the repair or construction of needed public facility. But not all public works programs are designed to have an immediate impact on job creation now. Under the 1976 LPW program applications were processed in 60 days and we required that on-site labor must begin within 90 days after the project application was approved. In addition, we required that the Economic Development Administration publish its rules and regulations within 30 days. These are very significant time factors that are unique to this bill.

The job impact of this first local public works program should also be mentioned. According to the estimates of EDA of the 2,000 projects that are currently being funded, a total of nearly 300,000 jobs will be created—over 141,000 direct onsite construction jobs and an equal number of offsite jobs in the construction materials and supply industries. Based on these recent statistics, we can expect at least 600,000 jobs to be created with the \$4 billion authorization under H.R. 11.

Madam Chairman the Committee on Public Works and Transportation held 6 days of hearings on the extension of the LPW program receiving testimony from more than 100 witnesses. Members of Congress, representatives of labor, State, county, and municipal government officials, environmentalists, Indian groups, and numerous public interest organizations testified to the need for this program and for increased Federal funding. Our hearings also clearly showed that a number of changes would have to be made in the 1976 act if Federal funds

were going to be targeted to the areas of highest unemployment.

The bill before you today, H.R. 11, contains several amendments to the 1976 Local Public Works Act which address many of the problems that were raised during our hearings. These amendments will—

First, insure a more equitable distribution of projects;

Second, simplify the administration of the program by making the rules and regulations more easily understood;

Third, insure that whenever possible, local officials are given the opportunity to identify and have funded those projects which reflect their priorities and needs; and

Fourth, eliminate the gerrymandering of project areas so that program investments will be oriented more toward the areas of greatest distress.

In addition to the specific amendments we have made to the LPW program, the Committee on Public Works and Transportation through its Subcommittees on Economic Development and Investigations and Review will hold oversight hearings as the new program regulations are developed by the Economic Development Administration.

Recent articles in the Washington Post and the Washington Star have reported on a number of so-called horror stories which resulted from the inequities in the distribution of funds under the LPW program. Madam Chairman, although the stories reported by the Post and the Star did in fact take place, I do believe it is important for the record to show that the number of success stories under this program far outweigh the so-called horror stories.

Our committee's hearings clearly established that there were in fact serious inequities in the first round of LPW funding. The major problem uncovered by our hearings and reported in the recent news stories centered on an applicant's ability to gerrymander a project area under the act. A small community like Mound Bayou, Miss.—a town with a population of 2,314, an annual budget of \$200,000 a year and only 217 people unemployed—was able to take in all of the unemployed labor force of surrounding communities to define its project area, thereby receiving a higher ranking on their project application. As a result of this type of gerrymandering Mound Bayou ended up with a grant totaling \$4.9 million to install not one, but three public works projects. The project application from Mound Bayou consumed almost half of Mississippi's \$10 million allocation, while Jackson, Miss., with an unemployment rate equal to if not higher than Mound Bayou's, received no funding at all. Under H.R. 11, the provision which allowed communities to determine their unemployment rate by including the unemployed labor force of adjoining areas, has been repealed.

All jurisdictions may either utilize unemployment statistics for their entire jurisdiction, or may draw data for an identifiable pocket or census tract contained within that jurisdiction. Such units of government may not employ statistics from an area larger than its

jurisdiction. A city or town, for example, may not use unemployment data of an adjoining jurisdiction or surrounding county.

Another major problem that occurred under the 1976 program was the failure to fund applications from major cities of the Nation—like Pittsburgh and Seattle—because of the heavy weight given to per capita income in the scoring formula developed by the EDA for project rankings. In addition, many witnesses felt that the administration overreacted to the problem of undue concentration of projects in larger cities, and, as a result, 45 of the Nation's 100 largest cities received no funding under this program.

The reason for these inequities can be traced to several factors. Not only were communities able to cleverly design their project area, but many communities also figured out that their chances of being funded under the 70-percent category—where funds were reserved for areas with unemployment above the national average—were much lower, than if they were funded under the 30-percent category—which was reserved for areas with unemployment below the national average but above 6½ percent. In many communities it did not take a clever grantsman long to figure out that there would be a much higher degree of competition for the limited 70-percent funds than the 30-percent funds—so the best chance a project application would have would be under the 30-percent category.

The allocation of funds as a result of the 70-30 split resulted in a serious inequitable distribution of projects. In many cases, projects were selected in areas with unemployment rates below the national average, while many other areas with rates above the national average received no projects because the 70-percent funds had been exhausted. The 70-30 split also resulted in cases where a wealthy suburban community received a project under the 30-percent category while the distressed neighboring central city received no funds because the 70-percent funds had already been expended in other areas of the State. Under H.R. 11, this 70-30 provision is deleted from the act so that all areas within a State will be competing against each other and only those areas with the highest unemployment will be funded. It is our intent that areas that have unemployment rates below 6½ percent would only be funded under this condition in a State where it is necessary to reach the minimum amount guaranteed to each State.

Let me comment at this point on the concerns that public educators have recently brought to my attention. As my colleagues are probably well aware, public elementary and secondary education represents a little over one-half of all local government employment and one-half of local government budgetary expenditures. In this regard, the committee was pleased to note that a substantial number of the funded projects went for the purposes of public education. The committee recognizes that many unmet education needs still exist, especially in the areas of high unemployment. Accordingly, it is clearly the intent of the committee that applications from school districts, following past procedure, be

treated on the same basis as applications from units of local government. The committee does not intend section 2(e) of the bill, requiring a statement of local priorities, to give authority to other units of government to rank school district applications. Similarly, the committee specifically does not intend that Federal procedures, including any rating systems, be so devised as to give lesser priority to the applications of school districts than would be received by other units of local government. Applications for public education purposes have proved to be a very expeditious and effective method of carrying out the intent of the act. Therefore, there is no intent to lessen school district participation.

Madam Chairman, another problem that occurred under the 1976 local public works program had to do with the unemployment statistics requirements. Under the 1976 law unemployment data used in making grants was to be calculated for the 3 most recent consecutive months. The average of the 3 most consecutive months was not in many instances a representative picture of unemployment in a community and caused serious inequities in the project selection. Unemployment data for the 3 most recent consecutive months also represented seasonal or temporary fluctuations in the unemployment of a community's labor force.

Communities, such as those in the Upper Midwest or Northeast, which had low unemployment during the summer due to tourism, but had high unemployment the rest of the year were penalized due to the timing of the program. Under H.R. 11, we have amended this provision to require that unemployment data be calculated for the most recent 12 consecutive months. This data will in essence be seasonally adjusted and will eliminate many of the inequities which resulted from using unemployment data from different 3-month periods of time. The provision which allows for unemployment data to be supplied to the EDA from the U.S. Department of Labor, the States and local government is retained. We feel very strongly that a community not be denied assistance under this act because national unemployment figures are available for a local jurisdiction. In addition, we have directed the Economic Development Administration, to go directly to the States, when necessary, to obtain unemployment data for local project applications. We are aware that under the OMB's circular A-46 that Federal agencies are required to use unemployment data developed by the Bureau of Labor Statistics. However, we are also aware that the BLS does not have unemployment data for all communities that may be eligible for assistance under this program. In order that communities of 25,000 population or more received every consideration in their application for assistance under this program, the EDA must be given the flexibility to use State figures where the BLS data is not available.

Madam Chairman, another problem associated with the need for accurate and uniform measurements of unemployment in the country, is the problem of Indian

unemployment. Many inequities resulted under this program due to the large number of applications received from Indian tribes. Unemployment rates and per capita income figures calculated by the Bureau of Indian Affairs are simply not comparable to non-Indian data. In many cases, the BIA essentially counted anyone that is over 16 years of age and not working, as unemployed. With many Indian tribes having unemployment rates of 40 to 60 percent, many good non-Indian projects in communities with unemployment far above the national average, did not receive funding.

In order to correct these inequities and insure that the Indian tribes receive an equitable share in the program, H.R. 11 provides that up to 2½ percent of the funds appropriated shall be granted to Indian tribes. This provision will eliminate the competition with local non-Indian projects and will also free up additional funds for State and local governments that have Indian tribes within their borders. For the remaining States that have no Indian tribes within their borders this section is further amended to increase the minimum percentage granted to any one State, from one-half of 1 percent to three-quarters of 1 percent.

One important amendment states that the Secretary will give priority and preference in cases where building projects are competing with other building projects to those projects which will result in the most energy conserving building.

Madam Chairman, there are several other amendments under H.R. 11 which deal with the specific problems that occurred in the administration of the first round of funding. One of the purposes of our extensive hearings was to uncover those problems that did occur and seek recommendations for their solution. I sincerely believe that the bill that is before you today offers a solution to the inequities many communities faced last time around. H.R. 11 is more finely tuned to target this Federal assistance to our areas of highest unemployment. There were many worthwhile projects that were not funded under the first \$2 billion, projects that were from areas of great distress, that will receive priority and funding under H.R. 11. The fact that there are so many needed public facility projects around the country, projects that are "ready to go," but have been deferred because of the inability of local and State governments to provide the necessary funding, clearly attests to the need for increased funding under H.R. 11.

It is also important that we realize that not all of the most worthwhile projects will be reached under the local public works program. For over a decade now, the Economic Development Administration has administered a program that deals with the long-term economic problems of many communities that have applied for assistance under the 1976 local public works bill. The Public Works and Economic Development Act of 1965—commonly called the EDA program—is specifically tailored to meet both short-term problems of economic dislocation as well as the longer-term problems of economic decline in communities. I want

to emphasize to all our Members today that it is absolutely imperative that the EDA program receive full funding. The fact that we have consistently underfunded this vital program, year after year, is no excuse for doing the same now. The only way we are going to be able to target assistance to those areas of the country which are suffering structural unemployment problems, the pockets of poverty in the Nation, and those areas which are suffering from long-term economic deterioration as we see in our older industrial States of the Midwest and the Northeast—is by beefing up our regular EDA program. The local public works program was designed to be a countercyclical program. That is, it was designed as a short-term measure to put our people back to work as quickly as possible, particularly those construction workers who have suffered so much from the current recession.

We were pleased that many applications submitted under the first round of funding were aimed at urban conservation through rehabilitation and recycling of old buildings. These are very important to the revitalization of our urban areas and we would encourage funding of these projects under other programs such as the regular EDA program, which are designed to provide this type of renovation assistance, which is labor intensive, and provides long-term economic benefits. In my own district in Paterson, N.J., we are in the first stage of restoring a commercial district, which includes over 100 acres in the core of the city. As with other successful preservation efforts in other cities—like Pioneer Square in Seattle, Wash.—Paterson's renewal through preservation should produce a broader tax base, increase long-term employment, and provide immediate labor intensive construction work.

Madam Chairman, I strongly urge our Members to support H.R. 11 which increases the authorizations for the Local Public Works Act by \$4 billion. We recognize that this is not a panacea for all our economic problems, but it will provide employment for many of our unemployed workers today, particularly those in the construction and material trades industries and is a vitally important first step in a national economic stimulus program.

Mr. JOHNSON of Colorado. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Madam Chairman, I thank the gentleman for yielding.

Section 2(b) of the bill states:

Notwithstanding any other provision of this Act, not more than 2½ per centum of all amounts appropriated to carry out this title shall be granted to Indian tribes under this Act for local public works projects.

It is my understanding that the intention of the committee is that 2½ percent, in fact, would be granted to Indian tribes and that that was not intended to be a limitation; is that correct?

Mr. ROE. I am sorry. Would the gentleman repeat that, please.

Mr. JOHNSON of Colorado. I have read that section 2(b) which relates to Indian tribes and it says that not more than 2½ percent of all amounts appropriated would go to Indian tribes.

It was my understanding that in the committee there was a discussion about this particular subject; and it was indicated that the committee's intent was that a full 2½ percent would go to Indian tribes and that this was not a discretionary amount. In other words, it is not 2½ percent or less that is to be spent in the Indian areas. It is a full 2½ percent; is that correct? I think the legislative history should reflect that.

Mr. ROE. It is the position of the Committee that not more than 2½ percent can be utilized. However, from the number of applications which are pending from Indian tribes throughout the Nation, I do not really feel that it is going to be detrimental because in many areas there are not enough applications to use up the full amounts now.

Mr. JOHNSON of Colorado. Madam Chairman, I thank the gentleman.

I was concerned that it might be a discretionary matter and that perhaps only 1 percent or 1½ percent might be utilized; but actually it is 2½ percent; is that correct?

Mr. ROE. Yes. The applications that would be available would determine how much of the set-aside is used.

Mr. BURKE of Massachusetts. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. Madam Chairman, as the gentleman from New Jersey (Mr. ROE) knows, the town meeting form of government is the common form of government in many New England communities; the town meeting is the "governing body." During the first round of the Local Public Works Act the EDA counsel granted a specific waiver to the requirement that the governing body approve an application. This was necessary in order that the local governments be afforded sufficient flexibility to respond quickly to changing regulations as calling a special town meeting requires as much as 35-40 days.

Is it the Committee's understanding that the chief executive officer, either the chairman of the board of selectmen or the town manager, will be able to apply on behalf of the local community?

Mr. ROE. The answer to that question is definitely yes. We are aware that that particular problem exists in some of our States and the problem it has created, and there is no question about what the intent of the Committee is on that question.

Mr. BURKE of Massachusetts. I thank the gentleman.

Mr. YOUNG of Florida. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Madam Chairman, first let me thank the gentleman for yielding to me and second I wish to compliment the gentleman in the well and the committee for correcting one of the problems that many of us felt, and that was the 70-30 percent separation in last year's bill. This caused a consider-

able problem in Florida. For example, under last year's bill there was one area that had less than 2 percent of the State's unemployed and another area in the same State had 6 percent of the State's unemployed, yet the area with only 2-percent unemployment received \$1 million more than the area with 6-percent unemployment.

My question is: Has the committee given consideration to this and is there some kind of solution presented to us in this legislation?

Mr. ROE. The answer is, "Yes we have." Basically what we have done in this legislation is eliminate that 70-30 percent split which the gentleman from Florida has just directed our attention to. We have also placed an amendment in the bill that requires the community or the applicant, be it town, village or county, to use their own unemployment figures, they cannot gerrymander all over the lot. That was the biggest fault we found in the legislation originally. I believe we have corrected this in the present configuration of the legislation in which the gerrymandering is eliminated entirely.

Mr. YOUNG of Florida. Madam Chairman, I thank the gentleman for his answer.

I would also ask the gentleman whether applications that were filed with the EDA in the past year, under last year's bill are still in order, or, what will become the status of those applications? Will they still be considered as a proposal, or will those applications have to be withdrawn and a new application will have to be submitted?

Mr. ROE. That is a valid question. Let me say to the gentleman from Florida that the pending applications before EDA are still pending applications. Under the new regulations they will have to submit some supplemental data, but they are all active applications in this regard.

Mr. YOUNG of Florida. Will they have any priority over the others?

Mr. ROE. Yes, they will. It is the intent of the committee and it has been directed to EDA to consider those particular applications that are now pending, of which there are some 22,000.

Mr. YOUNG of Florida. I thank the gentleman.

Mr. AMBRO. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from New York.

Mr. AMBRO. Madam Chairman, in order to establish the intent of the committee, and in the absence of what we decided in the markup having been installed in the report perhaps I can get the chairman to answer a couple of questions with respect to the manner in which county unemployment data is calculated.

Recognizing the areawide responsibility of county governments, is the intent of the bill to permit an applicant county to use the unemployment level throughout the entire county?

Mr. ROE. The answer is "Yes," because the county government would be considered a coequal as a local applicant.

Mr. AMBRO. Would this include unemployment within any incorporated jurisdiction as well as unemployment within unincorporated areas?

Mr. ROE. Yes, it will. The basic fundamental purpose of the act and the changes that were made in that, were based upon the view that the applicant, be it town, village, city, or county—which the gentleman is speaking of now—must use their own self-contained employment figure.

Mr. AMBRO. Madam Chairman, I have an additional question, in order to underline or to stress what may have been said and that is: Is it the gentleman's understanding, then, that in any new go-round of funding, the Economic Development Administration will consider county unemployment data in the same manner as they did during the current authorization?

Mr. ROE. The gentleman is talking about county figures?

Mr. AMBRO. Yes.

Mr. ROE. The answer is "Yes."

Mr. AMBRO. And the last question then, Madam Chairman:

Since there have been formulas and other changes thus far, and there may be others later through amendments, will the EDA permit revisions in first round applications?

Mr. ROE. The answer to that is absolutely "Yes."

Mr. McHUGH. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from New York.

Mr. McHUGH. I thank the gentleman for yielding.

Madam Chairman, I should like to follow up that question about gerrymandering with this one specifically. If a village has applied for funding, is it possible for the village to use the county unemployment figures or not?

Mr. ROE. Is it possible for what, sir?

Mr. McHUGH. Is it possible for the village to use the unemployment figures for the county?

Mr. ROE. No, not under this bill. The basic underlying situation or prognosis, if you like, in the bill is based upon the fact that the applicant being a political jurisdiction such as a locality has to use its own unemployment figures.

Mr. McHUGH. Are those figures available, to the gentleman's knowledge, in most cases below the county level?

Mr. ROE. In some areas they are; in some areas they are not. However, we include a provision in the bill that if a community is not satisfied with the figures that may be assigned to them by the State government or the Federal Government and they object to that, they can develop their own figures, and they have the right to do that with the approval of the Secretary.

Mr. McHUGH. If the gentleman will yield further, I have one other question. Given the manner in which the EDA has distributed funds in the first round, giving considerable weight to absolute numbers of unemployed people, will not a village be disadvantaged considerably if it cannot use the unemployed figures for the county in which it is located, even though certainly a village would be drawing from that county for a project that is going to be constructed there?

Mr. ROE. Not necessarily. I think that what we are trying to say here is we have

to eliminate the gerrymandering, which I know the gentleman is familiar with. If we do not do that and we do not apply the figures back to the community of highest need, we could have a village that could come in with an unemployment index of 12 or 14 percent and it is eligible. So I think that if we then apply, for example, all the county figures, the county figures could be relatively lower because it has to take in affluent areas in all of the cities. So I think if a village or community, which is a political subdivision, files its application if its unemployment rate is 12 or 14 percent, that is what it is going to have to use.

Mr. McHUGH. It is not the rate I am so much concerned about; it is the absolute numbers of unemployed people in that village when the distribution of funds comes from EDA, because clearly a village with a small absolute number of unemployed is going to be at a tremendous disadvantage in competition with a large metropolitan area that clearly has a large absolute number of unemployed people.

Mr. ROE. I understand what the gentleman's problem is: I do not know how to solve it, to be honest with him.

Mr. CONYERS. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Michigan.

Mr. CONYERS. I thank the gentleman for yielding.

Before I place my question, I should like to commend the gentleman on the very important job that he and his committee have done in improving the fairness in the criteria that will be used in the future under the bill that is now before the committee. My question relates to all of the applications that apply, for example, to the city of Detroit, which had some 24 denials. Will there be prejudice attached to those denials when the city now refiles those same applications under this new legislation, when and if it is passed?

Mr. ROE. Not at all, because in effect what is going to happen there, I will say to the gentleman from Michigan, is that the applications remain in force. They are not going to have to literally refile; they are going to have to file supplemental data, bringing all of these factors in that have now changed. It is going to help their position.

Mr. CONYERS. I thank the gentleman.

Mr. ANDERSON of California. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from California.

Mr. ANDERSON of California. I thank the gentleman for yielding.

I have a question based on one of the gentleman's previous responses related to section 2(d) of H.R. 11.

Now, because we are switching from a base of 3 months to 12 months in the calculation of unemployment figures, applicant scores will be based on what is probably a more accurate measurement of economic depression.

My question is this: Will this section also facilitate an applicant switching from city data to county data? The rea-

son I ask this is that Long Beach was told by the local EDA office to use their own data, because Long Beach is a CETA prime sponsor. Long Beach later found out that they not only could have used the Los Angeles County unemployment data, but should have used the Los Angeles County unemployment data.

Now, as a result of following the advice of the local EDA office, Long Beach lost out to many small—very small—communities within the county which used county rate figures.

Now, my question is this: Can Long Beach now change their data base to that of the county of Los Angeles, as they should have if they had not been so incorrectly advised by the local EDA office?

Mr. ROE. No; they cannot. They must use the unemployment base of their own community as must every other applicant.

Mr. ANDERSON of California. Now, to follow up on that, and I am going to use my own county of Los Angeles as an example. Must any city in the county of Los Angeles that heretofore used the county of Los Angeles data, rather than their own, now come in with revised data, using the data from their own city, that is to say their own unemployment figure; is that correct?

Mr. ROE. That is absolutely correct.

Mr. DANIELSON. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from California.

Mr. DANIELSON. Madam Chairman, I have a three-part question. I understand that the applications already pending or that were pending under the old law must be deemed to be pending and will be considered under the new law.

Mr. ROE. Yes.

Mr. DANIELSON. Now, first, are new applications accepted?

Mr. ROE. Not under this round.

Mr. DANIELSON. Well, that takes care of the second part of my question.

Then as to the third part, those applicants who have an application already pending and who may need to submit supporting or additional data, will they be notified of that need for supporting additional data or must they ferret that out for themselves?

Mr. ROE. Absolutely. May I just elucidate a little on the gentleman's question? The answer is absolutely "Yes." The gentleman from California (Mr. JOHNSON), chairman of the full committee, has stated that oversight hearings will be held on the regulations under the new bill to be sure this time that the intent of Congress is followed to the letter. The point the gentleman is making will be included in that legislation.

Mr. DANIELSON. Madam Chairman, if the gentleman will yield further, then I could safely assure the city fathers of one of my cities, for example, if it is necessary to submit additional data, they will be notified and their application will not be prejudiced for their failure to submit that data, unless they have been notified?

Mr. ROE. That is exactly the understanding of the committee.

The CHAIRMAN. The gentleman from

New Jersey has now consumed 23 minutes.

Mr. DON H. CLAUSEN. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Madam Chairman, if I could engage in a dialog at this point with the gentleman from New Jersey (Mr. ROE)—I would appreciate it if the floor manager would provide reassurances on one point for me.

During the action of our Public Works Committee on this bill, our committee discussed the status of counties in the program. The committee recognized the fact that county governments provide services to citizens throughout the entire county, to those people living within cities and villages as well as to people living in the unincorporated areas.

The committee further recognized the fact that the county is responsible for those facilities and services used most heavily by city residents and, I might add, greatly impacted by unemployment. Welfare and social services, alcohol and mental health services, hospitals and community health clinics, courts, jails and probation services, to name a few, usually are provided by counties on a countywide basis. During the current round of public works funding, applicant counties used the unemployment data for the entire county.

When a county applies under this new authorization, on what basis will the county unemployment data be calculated?

Mr. ROE. Recognizing the countywide responsibility of county governments, the intent of the committee is for an applicant county to use the unemployment level throughout the entire county. This would include unemployment within any incorporated jurisdiction as well as unemployment within unincorporated areas.

Mr. DON H. CLAUSEN. Is it your understanding then, that in any new round of funding, the Economic Development Administration will consider county unemployment data in the same manner as they did during the current authorization?

Mr. ROE. Yes.

Mr. FINDLEY. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Illinois.

Mr. FINDLEY. Madam Chairman, it has come to my attention that a specific policy governing the administration of the local public works program affects adversely some local government applicants who, acting in concert, are attempting to fund projects of significance to all communities represented in the application. For example, in my district in Illinois, Camp Point, Clayton, and six surrounding communities applied for funds for the purpose of constructing a public water system to serve the needs of the participant communities. The proposed regulations for continuing the local public works program may be interpreted to grant the Camp Point-Clayton water district only 5 points instead of 10 points granted to all local governments. This discrimination is due to the fact that the applicants would be viewed as a

"special purpose district" and not as "general purpose units of local government." Actually, the water system that they propose would serve all eight communities and represents the full, effective, and legal cooperation of the participating communities just as much as if all eight participants had filed individual applications for water supply systems. Under such circumstances, I hope it is not the purpose of this bill to discriminate against such multicommunity projects.

Could the gentleman give me assurance on this point?

Mr. ROE. Yes; they are equally eligible. Where communities join in concert to submit an application to the Economic Development Administration, their application should not be penalized or treated differently than an application from a general purpose unit of local government.

Mr. MAGUIRE. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. Madam Chairman, I rise in support of H.R. 11, the extension of the local public works program and congratulate Chairman ROE and the committee on an outstanding legislative accomplishment.

The Subcommittee on Economic Development held 6 full days of hearings on H.R. 11 and other related bills referred to the subcommittee to amend or extend the Local Public Works Act.

More than 100 witnesses testified in the course of the hearings, including organized labor leaders, Federal, State, and local government officials, spokesmen for public interest groups, and a number of our colleagues. Their testimony overwhelmingly supported continuation of the local public works program, with a number of recommendations for changes in the existing law to correct what were described by many witnesses as "iniquities" in the allocation of the \$2 billion of Federal funds that went into the program last year.

Based on the recommendations made by witnesses during the hearings, the Public Works Committee has recommended a number of amendments that are designed to improve the administration of the program with an objective of giving more equitable treatment to all applicants.

Major provisions and amendments to the bill as reported by the committee are as follows:

First. The bill would authorize an additional \$4 billion to fund the local public works program;

Second. The provision requiring 70 percent of funds appropriated to go for projects of State and local governments having an unemployment rate in excess of the national rate and the remaining 30 percent to go to other areas would be deleted;

Third. The provision which permits the Secretary to consider the unemployment in adjoining areas from which the labor force for a project may be drawn would also be repealed;

Fourth. The time span for the unemployment data to be used in making grants would be changed from the 3 most

recent consecutive months to the 12 most recent consecutive months to avoid seasonal fluctuations;

Fifth. When more than one project is submitted by an applicant, the applicant would establish its own priority in regard to these projects;

Sixth. Funding for Indian tribes would be treated separately by providing up to 2½ percent of amounts appropriated for that purpose;

Seventh. No force account projects would be permitted under the program;

Eighth. The Secretary would be authorized to set aside 1½ percent of funds to make appropriated grants for projects that were rejected through error in processing the applications in the first round of funding; and

Ninth. Building project applications made after enactment of this bill that will result in conserving energy will be given priority by the Secretary.

It is anticipated that on the next round of funding the projects would be selected from the more than 22,000 backlog of applications on hand.

This bill is part of the economic recovery package requested by President Carter. As of February 17, the bill had been cosponsored by 228 Members.

Budget authority and outlay for this bill are included in the third concurrent resolution on the budget for fiscal year 1977 (H. Con. Res. 110) which was debated by the House yesterday. The budget resolution authorizes \$4 billion in budget authority with estimated outlays totaling \$500 million in fiscal year 1977.

The January national unemployment figures show that 8 percent of the labor force is still out of work and this figure is predicted to climb. In human terms, this means that approximately 8 million workers are unemployed. In the construction industry, unemployment far exceeds the national rate. This bill will directly attack this problem by creating 600,000 new jobs in the construction industry.

Madam Chairman, this bill deserves our immediate attention and support.

Mr. OBERSTAR. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Madam Chairman, the Local Public Works program is a proven, effective tool for creating jobs and reducing unemployment. It works, and we know it works because we have established a track record with the \$2 billion program voted in the 94th Congress.

We have demonstrated, beyond a shadow of a doubt, that public works works. By public works I do not mean massive, capital intensive projects for flood control, irrigation and hydroelectric power that take years to plan and execute. Rather, I am referring to community facilities such as courthouses, city halls and community centers which are designed and ready to go, so construction can start within weeks of project approval.

The LPW program creates much needed facilities of lasting value that local communities could not finance by

themselves during this period of inflation and recession.

The program is effective because it works through the private sector. It does not pad government payrolls, nor does it create permanent jobs in the public sector which will drain public resources for years to come. Instead, it creates short-term, high-paying jobs in the construction industry. It puts union members, private contractors and subcontractors to work and removes many of them from the unemployment rolls and the welfare rolls. It not only creates immediate jobs in the construction industry, but also creates almost as many offsite jobs in related industries. These jobs, as well, are in the private sector.

Admittedly, the local public works program has been attacked from many quarters, and much of that criticism was justified. By and large the Economic Development Administration did a remarkable job of implementing a complex bill in record time with minimal additional manpower. Errors and problems were inevitable, but the bill we are considering today is designed to correct those deficiencies and insure a more equitable distribution of funds this time around.

In the 94th Congress we appropriated \$2 billion for local public works, without any accurate way of measuring the actual need for such a program. We now have proof that the real need is far greater than we imagined. Roughly 25,000 applications totaling \$24 billion were submitted to EDA in less than 2 months. Over 90 percent of those requests are still pending before the agency.

In the first round of LPW funding, the agency and the communities were so successful in complying with the intent of the law that onsite construction will have commenced less than 7 months after the bill was enacted.

In this second round of funding, we can undoubtedly improve on that most admirable record. The projects are ready to go, the applications are already on file, and the money can be pumped into local economies without delay.

Madam Chairman, the local public works program is a fast, fair and effective means of combating unemployment. Let us help our workers and our communities now, by passing these amendments to the Local Public Works Capital Development and Investment Act of 1976.

Mr. ANDERSON of California. Madam Chairman, will the gentleman yield further?

Mr. ROE. I yield to the gentleman from California.

Mr. ANDERSON of California. Madam Chairman, H.R. 11 does not in any way alter section 108(e) of the Public Works Act of 1976, which allows the unemployment rate to be based upon the unemployment rate of any community or neighborhood—defined without regard to political or other subdivision or boundaries within the jurisdiction of such local governments, if the project in the neighborhood will be of direct benefit to or employ unemployed individuals within the neighborhood.

Since section 2(d) of H.R. 11 amends

the law to provide that unemployment data be measured—be based upon the 12 most recent months, applicants will obviously have to submit new data.

Now, I want to know if they can also redefine the project area, and thus the unemployment rate at the same time?

For instance, in my area, the Wilmington section of Los Angeles is far more economically depressed than the city of Los Angeles as a whole. I would hope that such an area could take advantage of this underutilized section of the act, since we are now tripling the original authorization.

Could Wilmington, then, in the application by the city of Los Angeles for Wilmington, use the data for Wilmington, separate from that of the total of Los Angeles City?

Mr. ROE. The answer, Mr. ANDERSON, is "Yes." There are two points you raise in the redefinition of the area by the applicants.

In view of the fact that the committee has passed an amendment that requires the applicant to use its own figures, and cannot so-called gerrymander, the answer is that there will have to be a refinement to that issue.

The second point you ask, about the 12 months average unemployment data, also will require an updating of the applications.

Mr. EDGAR. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Madam Chairman, as a member of the Committee on Public Works and Transportation who has worked diligently to make this bill as clear, simple, and strong as it can be, I am pleased to support passage of H.R. 11, amending the Local Public Works Capital Development and Investment Act of 1976. This bill provides a crucial element in a balanced program of Federal stimulus to our still-depressed national economy. This local public works approach to economic recovery has a number of characteristics which I believe make it a highly desirable tool:

The aid is targeted to those communities in our Nation which are most severely depressed and most in need of assistance. The elimination of the requirement in the 1976 act that 30 percent of the funds go to areas less distressed than average is a critical improvement in the effectiveness of this legislation.

The jobs created by this legislation will all be in the private sector, which has to be the key to our economic recovery. There is no way we can solve the unemployment of more than 7 million workers through public service jobs.

In addition to providing jobs for the duration of this program, this legislation will also provide permanent, tangible improvements to the infrastructure of the communities which receive the aid. It is the committee's hope that this aid will be used for projects which will leverage additional private sector investment in the communities by making them more attractive places to live and to carry on business.

The experience under the 1976 version

of this act has demonstrated that under an accelerated local public works program, it is possible to create jobs quickly enough to respond to current unemployment problems. This experience is in sharp contrast to the usual public works programs which take years to get to the employment stage.

During our committee's hearings on H.R. 11, we heard extensive discussions of the problems which everyone concerned with the program perceived in the 1976 round of funding. We have done our best to correct those problems through this revised bill. Some of the problems required statutory changes, and the bill we are considering today includes those changes. But many of the problems can readily be resolved through administrative changes not requiring amendments to the statute. The committee report on H.R. 11 thoroughly discusses our intent on most of these changes. There are a few additional areas of particular concern to me on which I would like to expand regarding what the committee heard and what it intends:

First. Inequity resulted in the first round of the program from the failure of EDA to include in its public regulations the definition it was using of a material criterion in its point scoring system: "long-term benefits." In implementing this new phase of the LPW program, all material terms to be considered in scoring applications should be defined in the Federal Register. In defining long-term benefit, EDA should alter its previous working definition to more clearly reflect the intent of the Congress that priority should be given to those projects which promote long-range plans for improving socioeconomic conditions in the area. The best use of these EDA funds, in terms of improving long-range socioeconomic conditions, is to attract larger amounts of private capital investment. Such projects as street repair, sewer extensions, industrial site preparation, provision of recreation facilities, in my view, clearly meet this test. Construction of municipal buildings, in my view, seems less appropriate under this test. In any event, EDA should clearly disclose to applicants, before they are asked to prioritize their several applications, what long-term benefits point scores it intends to assign to various types of projects.

Second. EDA developed a benchmark system for the first phase of the program to prevent the undue concentration of funds in any area within a State. That system achieved this goal, but it created another problem: Some clearly needy areas received no funds at all. In implementing this next phase of the LPW program, any benchmark system should protect against the neglect of a clearly needy area as well as against the over-attention to an area.

Third. The bill under consideration amends the act to require that the sponsor's project area, for the purposes of citing unemployment rates and unemployment numbers, be no larger than the legal boundaries of that jurisdiction. This system will be more equitable than the previous one which permitted creative gerrymandering of project areas to cite the most favorable statistics. However, it will be more equitable only if

EDA's project scoring system is devised so that small jurisdictions, with high unemployment rates but relatively low unemployment numbers, are not overwhelmed in the scoring by large jurisdictions with high raw numbers of unemployed. This is particularly serious a concern in areas, such as the area I represent, which have extremely dense population but are divided into many small units of local government. The labor market from which such jurisdictions will be drawing the labor force to work on the projects will be quite large—there is no doubt that it can accommodate large projects. But within the restricted boundaries of these small jurisdictions, the numbers of unemployed will be quite small compared to those in the adjacent city of Philadelphia or even in the entire Delaware County area. The EDA must be mindful of such situations when devising their scoring system for this next phase of the program. Hopefully we have permitted them to use common sense both in devising their system and in interpreting the results of their scoring system to make awards.

Mr. HAMMERSCHMIDT. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, the President and his administration have voiced their support of this measure as a job-creating economic stimulus. I am a bit confused, on the other hand, by President Carter's statement of February 21 in which he announces his intent to halt funds and the construction of 19 Federal water resource projects. In most cases, these are projects which have already had at least partial funding. These projects would also create jobs and in addition would provide water and recreational benefits to areas of the country which need them. I cannot understand the apparent contradiction of policy—to create jobs through this public works bill and to halt the construction of water resource projects which would create thousands of additional jobs.

To halt these projects 15,000 jobs would be lost immediately. Ultimately, if the entire \$5.1 billion is deauthorized as the President implies over a million jobs could be lost. That action does not apply to this bill but it does apply to the problem this bill hopes to alleviate—unemployment—nevertheless I wish to associate myself with the remarks of my distinguished colleague and chairman of the Economic Development Subcommittee, Mr. BOB ROE. I want to commend him on his diligent efforts to bring this bill to the floor of the House. I want to indicate my support of H.R. 11, which continues title I of the Public Employment Act of 1976 by providing an additional \$4 billion for grants to State and local governments to build public facilities. The local public works capital development and investment program was originally designed to create jobs, stimulate the badly depressed construction industry, and to provide funds to local communities for the construction of libraries, industrial parks, water and sewer services, and other types of public facilities.

Initially \$2 billion was made available for this purpose and if applications are any indication of need, that need is certainly well documented since EDA received applications amounting to 12 times more than the amount of funds initially available. The unusually large response to this program meant that regardless of the merit of many local communities' projects there were insufficient funds for grant approval.

Certainly we are all aware of the many disappointed officials throughout the country whose projects were not funded. The bill before us today provides additional funds and it is the expressed intent of the committee that priority will be given to applications which had already been submitted to the EDA. When these funds become available, a large number of communities will be able to benefit and additional community facilities can be initiated.

While there was unanimity of support for this program, a number of problems were called to our attention during extensive Economic Development Subcommittee hearings on this legislation. This bill attempts to resolve some of those problems. A 12-month unemployment rate is to be used rather than the 3-month base used under present law. This change will provide greater uniformity among communities and will take into account seasonal adjustment problems not recognized in the first round of funding.

A good deal of confusion resulted from communities using unemployment figures from adjoining neighborhoods. They were permitted to do this under section 108(f) of Public Law 94-369. In an effort to correct this situation, this section has been deleted. The effect of this change will mean that the project area will be required to use unemployment data which coincides with its area of jurisdiction.

A special set-aside is provided for Indian projects. Indian unemployment data is collected differently and it would seem more fair to have these projects compete with each other. Furthermore, a guarantee is provided that each State without Indians will receive at least three-fourths of 1 percent of the funds appropriated. You will recall the minimum was previously one-half of 1 percent. I believe these changes will strengthen the program.

I am an enthusiastic supporter of public works projects, and I fully recognize the need to create jobs and provide local communities with funds to build public facilities. However, it concerns me that against this backdrop of 22,000 unfunded applications there was considerable pressure to provide more funds and to provide them quickly.

This atmosphere for doing something now, has helped us miss the opportunity to objectively measure the impact of the program. In my opinion a 90-day delay would have allowed us to write better legislation. The results of the program cannot yet be adequately assessed. In keeping with the requirement that onsite construction must begin within 90 days, groundbreaking for a number of projects will be started around the 23d of March.

It will take some time to evaluate these projects, the types of people who were employed, and the number of jobs created in this manner. I am hopeful that the legislative changes included in this bill will strengthen this program. Yet as the first round of funding demonstrated, it is difficult to obtain certainty that the practical application of the law will have the desired effect. I, like each of you, wish I could have a few more assurances that these funds will be spent where they are needed the most in a way that is fair to all.

In this regard, I want to assure my colleagues that I am committed to continuing oversight of this program. I am pleased that our distinguished chairman, Mr. JOHNSON, and capable chairman of the subcommittee have also expressed their commitment to hold oversight hearings as the regulations for this program are developed by the EDA. I think this is necessary to insure that congressional intent is carried out and to maximize congressional input to see that the public works jobs program is equitably and efficiently administered.

Mr. CAPUTO. Madam Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. Madam Chairman, I yield for a question briefly to the gentleman from New York (Mr. CAPUTO).

Mr. CAPUTO. Madam Chairman, I would like to clarify the use of the words "local government" in section 108(e) of this report, which permits local governments to designate within their jurisdiction communities or neighborhoods for purposes of submitting grants for that community or neighborhood. The definition of "local government" does not use the word "village" or "school district."

I understand it is our unanimous understanding that villages and school districts are considered units of general purpose local government for purposes of section 108(e).

Mr. HAMMERSCHMIDT. The gentleman is correct. They are eligible applicants under this law.

Mr. CAPUTO. I know the gentleman understands that that determination with respect to the number of persons unemployed was not used directly as a gross number but the logarithm of the number of persons unemployed. That means, in the case of New York City, which I represent, which has 1 million people out of work, we received a score of 6, which is a logarithm of 1 million; whereas a hypothetical small town, with 1,000 people out of work, got a score of 3, which is a logarithm of 1,000. In the case of New York City, even though we do not have twice as many people out of work, we have 1,000 times as many people out of work. I believe we can adjust for the fact that New York City is bigger. But using a logarithm, a rapidly accelerating mathematical formula can make it necessary to adjust for the difference in population. I am hopeful we will not use logarithms to drastically underestimate the severity of the conditions of unemployment in urban areas such as New York City.

Mr. HAMMERSCHMIDT. I may say to the gentleman that we are well aware of this concern, and I appreciate the gentleman's remarks.

Mr. YOUNG of Florida. Madam Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. I thank the gentleman for yielding.

Madam Chairman, I am curious as to what 12-month period will be used on the unemployment figure. Will it be the preceding 12 months, or calendar year, or has that been decided yet?

Mr. HAMMERSCHMIDT. It will be the immediate preceding 12-month period.

Mr. YOUNG of Florida. Prior to the enactment of the bill?

Mr. HAMMERSCHMIDT. Prior to the enactment of the bill; that is correct.

Mr. YOUNG of Florida. I thank the gentleman.

Mr. HAMMERSCHMIDT. Madam Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. HARSHA).

Mr. HARSHA. Madam Chairman, at this juncture of the proceedings I would like to engage in a colloquy with my good friend, the gentleman from New Jersey, the chairman of the subcommittee which reported out this legislation.

I am concerned, after reading the report and the various parts of the report alluding to communities of 50,000 population or 25,000 population, or more, that there may be some effort here to eliminate those cities of less than 25,000 from consideration as applicants.

Is it the intention of the committee that all communities, regardless of size, that otherwise qualify, are to be treated as applicants in this case?

Mr. ROE. Madam Chairman, it is the full intent of the committee that all of our communities, whether they be villages or townships which have local political jurisdictions have to be considered equally.

Mr. HARSHA. And there will be no limitation in the size of the community?

Mr. ROE. Absolutely none.

Mr. HARSHA. Further along that same line, if the gentleman will accommodate me, for many of the communities, for example, in Ohio, the only statistics for unemployment are either those statistics gathered by the Bureau of Labor Standards or those statistics gathered by the State of Ohio, and they are generally limited to county statistics rather than individual municipality statistics for unemployment.

It is my understanding under this legislation that it is fully the intention of the committee that a municipality may be able to present its own unemployment figures?

Mr. ROE. The gentleman is absolutely correct.

Mr. HARSHA. I thank the gentleman for enlightening me on that.

Madam Chairman, I rise in support of this legislation which has been so well explained by the chairman of the subcommittee and by the ranking minority member of the subcommittee.

There has been a number of improvements in this legislation which have been made by the committee, comparing this act to the previous act.

Without boring the Members with repetition, I again want to assure the Members that we have taken out the

70-30 provision that caused so much trouble, we have taken out the gerrymandering provision which caused so much trouble, and we have taken out the 3-month unemployment statistics which again caused some inequities because they did not provide for fluctuations in employment. We have resorted to a 12-month period for unemployment statistics, and we believe that will materially improve the act and take into consideration the various fluctuations in employment and unemployment in the various States.

On the whole, Madam Chairman, I believe the bill has been very much improved. I support it, and I urge my colleagues to support it.

Mr. HAMMERSCHMIDT. Madam Chairman, I yield 3 minutes to the gentleman from California (Mr. DON H. CLAUSEN), a member of the committee.

Mr. DON H. CLAUSEN. Madam Chairman, I rise in strong support of the legislation as presented by the committee, and I wish to commend the distinguished chairman of our full committee, the gentleman from California (Mr. JOHNSON), and the distinguished chairman of our subcommittee, the gentleman from New Jersey, Mr. BOB ROE, for an extraordinary job under very definite time constraints.

Madam Chairman, I rise in support of H.R. 11, a bill to authorize an additional \$4 billion for title I of the Local Public Works Employment Act. This bill also amends the original act to correct deficiencies created by the original law such as the gerrymandering provision, the 70 to 30 split, and the narrowly based unemployment statistics, all of which led to inequities in project selection of the first \$2 billion. H.R. 11 is a product of 6 days of hearings with testimony of over 100 witnesses.

The Subcommittee on Economic Development, chaired by the able gentleman from New Jersey (Mr. ROE), is to be commended for its diligent and forthright efforts to move this legislation swiftly for this additional authorization so that the upcoming construction season can be utilized under this act. With \$22 billion worth of projects pending there is certainly ample need for this added authorization. I know that many applicants were disappointed in not receiving funding for their particular projects, but the Economic Development Administration followed the letter of the law in approving projects. What weaknesses existed were primarily a result of the law itself. We are confident those weaknesses have been eliminated so that equity will prevail in the next selection round.

In subcommittee markup it was my hope to authorize an additional \$2 billion for this program and provide the other \$2 billion for the regular EDA program of title I grants for essential public facilities. There are many reasons why I favored this approach. First and foremost is the lengthy and commendable track record of EDA in providing grants to cities and counties in distress and in greatest need of essential public facilities such as water and sewer lines, access roads, industrial parks, and the like, to strengthen and revitalize their local economies. The title I program is a

catalyst for long-term, self-sustaining economic growth to bring these cities and counties up to the national standards of employment and income. EDA's work force, although small, is trained, competent, and dedicated to the objectives of the act; that is, to provide Federal assistance to areas and regions of substantial and persistent unemployment and underemployment by taking effective steps in planning and financing their public works and economic development. EDA further provides that new employment opportunities should be created by developing new and expanding existing public works and other facilities and resources rather than by merely transferring jobs from one area of the United States to another.

EDA has been in existence since 1965. The Committee on Public Works and Transportation has saved this agency from extinction three times—in 1971, in 1973, and in 1974. The agency has met with some adversity because of conflicts with previous administration policies; but, in 1976 Congress and the administration agreed to a 3-year extension of this program with modifications and improvements. The objective now is to fund fully those titles of this act which to date have been operating at about 30 percent of their authorized levels. The \$2 billion I spoke of earlier would provide further thrust to the program whereby not only facilities would be added to communities but also a rational strategy of development would be included in project activities. I know my colleagues on the committee are sympathetic with this point of view and our efforts now are directed to fully funding the regular EDA program.

In addition to the traditional EDA program activities, I would encourage and support legislative changes to provide EDA with the authority to be the lead agency in all public investment; highways, airports, water, pollution control facilities, mass transportation, and water resource projects, so that one agency, with economic development as its objective, could coordinate and direct the public facility investment program in a rational manner. I have long been an advocate of this approach to public facilities investment. In so doing, this country could use its public funds to promote development, create jobs, and foster growth.

Although the administration supports the additional \$4 billion in authorization for the jobs program, I am dismayed that this new administration can support a jobs measure with one hand and recommend eliminating job-creating measures with the other, such as the water resource projects currently being recommended for cuts. I find it hard to understand why these projects are recommended to be eliminated, especially at a time of high unemployment, slack national demand, and needed Federal stimulus to move our economy forward.

The lack of a national economic policy for recovery and growth creates these haphazard and conflicting decisions. I am a supporter of a comprehensive policy of balanced national growth. Perhaps

with such a policy we would not be faced with the dilemma of a job bill one day and cuts in water resources projects the next. Congress can and should produce a genuine growth and development policy whereby these decisions could be rational. The Public Works and Transportation Committee, with its established jurisdiction over water resources, the "clean water" community sewage grant program, public buildings and all transportation systems except rail, is uniquely equipped and qualified to handle the legislative responsibilities of such a coordinated program. I urge passage of this bill.

Mr. HAMMERSCHMIDT. Madam Chairman, I yield 4 minutes to the chairman of the subcommittee, the gentleman from New Jersey (Mr. ROE).

Mr. ROE. Madam Chairman, I greatly appreciate the gentleman's yielding to me this time, and I yield 2 minutes of that time to the distinguished gentleman from Indiana (Mr. CORNWELL).

Mr. CORNWELL. Madam Chairman, As a member of the Subcommittee on Economic Development of the Committee on Public Works and Transportation, I would take this opportunity to urge all of my colleagues to vote favorably on H.R. 11, the public works jobs bill.

H.R. 11 would authorize an additional \$4 billion for funding of the local public works capital development and investment program. In order to search out and correct blatant inequities in the previous program the Subcommittee on Economic Development held a full 6 days of hearings. During the course of these hearings more than 100 witnesses, from all walks of life, testified. Many good suggestions as to how to better effectuate the program were discussed. Based on such recommendations, the subcommittee adopted amendment designed to ultimately correct those inadequacies which have plagued the program.

Notwithstanding the many inequities which occurred as a result of less than adequate legislative definition and the hurried, impersonal administration of the Public Works Capital Development and Investment Act of 1976, the program was proven to be a viable approach to economic stability and unemployment problems nationwide. Scores of projects, affecting the jobs and everyday lives of virtually millions of people throughout our country were funded through the 1976 act. I think all of us can be proud of this accomplishment.

However, thousands of worthy projects in areas of high unemployment still remain to be funded. It is in the best interests of all Americans that we move quickly to extend and appropriate additional funds for this program.

Madam Chairman, what we have done in this program is to provide a mechanism for quickly getting money into the economy to stimulate the economic development in industry and business in areas of high unemployment and high underdevelopment.

I urge all my colleagues to vote favorably for this bill.

Mr. ROE. Madam Chairman, I yield such time as he may consume to the gentleman from New Jersey (Mr. PATTEN).

Mr. PATTEN. Madam Chairman, I strongly urge my colleagues to vote for H.R. 11 without any amendments which weaken it.

The Public Works Employment Act is not only very important to Middlesex County, N.J., but to every area in the Nation which suffers from high unemployment.

During the month of December 1976 there were 31,900 persons unemployed in Middlesex County, representing a jobless rate of 10.8 percent. I firmly believe that \$4 billion must be authorized and appropriated if this program is going to really help the unemployed. Most Members from areas suffering from high unemployment know that the \$2 billion included in the first round was inadequate.

Even though Middlesex County suffered from a jobless rate of 9.3 percent, representing almost 31,000 persons and its communities submitted 112 grant applications totaling \$112 million, only one application—\$330,000—was approved by the Economic Development Administration—EDA. That, of course, was a severe shock to the county and its municipalities, so I hope that a \$4 billion program will not only help us in Middlesex County and other parts of the State, but other sections of the country, as well where there is high unemployment.

I support H.R. 11 because it would help provide jobs for the unemployed, and also because it would help communities with urgently needed capital improvements—from libraries to municipal buildings.

Mr. ROE. Madam Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. LEHMAN).

Mr. LEHMAN. Madam Chairman, I rise in strong support of H.R. 11.

Madam Chairman, I wish to express my support for the legislation now before us, the local public works capital development and investment amendments. The overwhelming response of States and local units of government to last year's bill testifies to the need for an extension.

Unemployment is still intolerably high, particularly in the construction industry. Our cities and towns are in need of new facilities which will provide real benefits to the citizens of those communities. H.R. 11 gives us the opportunity to combine these worthy goals of reducing unemployment and building structures of permanent value.

I am also pleased with the changes which have been included in this bill. I believe that they will eliminate many of the shortcomings of the program which became evident with the awarding of the grants last December. I was most concerned, as were many of my colleagues, by the apparent discrepancies in the awards. There appeared to be no rhyme or reason to many of the decisions.

The elimination of the provision which allowed communities to utilize the unemployment statistics of neighboring jurisdictions will prevent unnecessary distortion of the competition for funding. The removal of the requirement that 30 percent of the funds go to jurisdictions

with an unemployment below the national average will help assure that the help goes to where it is needed most.

This legislation will also assist many of our school districts which need help in building schools and other facilities. I wish to emphasize that school districts should receive equal treatment with other jurisdictions in the competition for funding of projects. Last year this was the subject of some controversy and I believe it imperative that the intent of Congress with respect to this question be made clear.

Mr. ROE. Madam Chairman, I yield such time as he may consume to the gentleman from California (Mr. JOHNSON), the chairman of our committee.

Mr. JOHNSON of California. Madam Chairman, the bill we bring before you today, H.R. 11, would authorize an additional \$4 billion in Federal grants for the construction of local public works projects and correct the inequities in the first round of funding.

President Carter has given his full support for the \$4 billion in increased authorization of \$4 billion and has requested a supplemental appropriation.

The President has made it very clear that the Local Public Works Act is a vital component of our overall strategy for economic recovery.

Madam Chairman, there is little need for a long explanation of this bill.

It was considered at length by the House last session.

With an unemployment rate nationally close to 8 percent today, with 30 percent or more of our construction workers still unemployed, and with our State and local governments still caught in the fiscal squeeze of our most recent recession, it is vitally important that we move this legislation as quickly as possible.

This legislation is directly targeted at a segment of our economy that has, perhaps, suffered the most from our recent economic problems.

The construction and building trades industry has been in the worst economic decline this country has ever experienced since the great depression of the 1930's.

The President of the AFL-CIO Building and Construction Trades Department recently testified that unemployment levels were still at the unacceptably high rates of 20 to 30 percent in some of our major cities.

Madam Chairman, the construction industry is a bellwether of our national economy.

We must put our unemployed construction workers back to work, and that is what this bill is designed to do.

In addition, a second and most important goal of the local public works program is to provide badly needed help to local governments.

We know there are thousands of badly needed public facilities that have been deferred by our local governments.

This legislation provides for 100-percent grants by the Secretary of Commerce to assist State and local governments in the construction, renovation, repair or other improvement of local public works projects.

Mr. Chairman, our experience with the first round of funds clearly shows that we have developed an effective delivery system.

This bill was very carefully designed by the Committee on Public Works and Transportation to avoid the long lag times sometimes associated with public works construction.

We were able to cut out the red tape in this bill and require that project applications must provide assurances that onsite labor could begin within 90 days.

Despite this requirement, which would insure that only projects that were "ready to go" would be funded, the Economic Development Administration received more than 25,000 applications for \$24 billion in little more than 1 month.

The size of this response clearly confirmed the fact that there is a huge backlog of local public facility projects that are badly needed by communities in this country and are ready to go into construction.

I want to emphasize Madam Chairman, that these applications were not for make-work projects. All of these projects met some important need in our communities—for the repair of roads, for repair of a hospital, or the construction of vitally needed water and sewer systems.

There were some inequities in the distribution of funds throughout the country.

Many of the problems that occurred in the distribution of projects had to do with the legislation and we have tried to correct these faults in H.R. 11.

Other inequities resulted from the regulations which developed formulas for project ranking and selection.

The Committee on Public Works and Transportation held 6 days of extensive hearings to uncover the problems that occurred in the program.

We heard from more than 100 witnesses, including 40 Members of the House.

We listened to each witness very carefully, Madam Chairman, and we developed a series of amendments to the bill based on their recommendations.

Madam Chairman, the Committee on Public Works and Transportation through its subcommittees on Economic Development and Investigations and Review will hold oversight hearings on the rules and regulations developed by the Economic Development Administration for the administration of this next \$4 billion.

We intend to make sure that EDA simplifies the administration of this program so that the rules and regulations are more easily understood.

The amendments we have made will insure a more equitable distribution of the projects throughout the country.

We have insured that whenever possible, local officials will be given an opportunity to identify which projects reflect their priorities and needs.

And, we have eliminated any possibility for a community to gerrymander another community's unemployed labor force in defining their project area by providing that only unemployment data within the jurisdiction of the applicant

will apply—so that we target this \$4 billion to our areas of greatest distress.

Madam Chairman, I want to thank Bob Roe, the chairman of our Subcommittee on Economic Development, for his tireless efforts in seeing this bill through—both Bob Roe and JOHN PAUL HAMMER-SCHMIDT, the ranking minority member of the subcommittee labored many long and hard hours to make this bill possible today.

They not only have participated fully in the hearings we held before the committee, but have worked diligently to iron out the problem areas of this bill.

Finally, I want to particularly thank all of the new members of our committee for their active participation in our hearings and their work during our committee's markup on this bill.

Mr. ROE. Madam Chairman, I yield such time as he may consume to the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Madam Chairman, I rise in support of H.R. 11. The local public works program authorized by this legislation is a vital component of our national economic recovery package. I want to remind my fellow colleagues that while we have heard that the economy is picking up, the aftermath of the recession this country has experienced during the last 2½ years is by no means over. Unemployment levels are going to remain high for some time, and probably throughout the rest of the decade. Today there are still some 8 million Americans unemployed. The construction industry is still in a state of shock. Unemployment levels are still up around 20 and 30 percent in major cities of the Nation. And, there does not appear to be any relief in sight. State and local construction activity has been particularly hard hit and this legislation is specifically directed to assist this segment of the construction industry.

Although the Bureau of Labor Statistics has proudly announced that construction unemployment is now at a 2-year low hovering around 14 percent, the seasonally unadjusted figures are more realistic—20.1 percent or 961,000 men out of work. If one looks further at these statistics, the main reason for the decline is that the number of persons that have left the construction labor market altogether, are not even counted. The AFL-CIO's Building and Construction Trades Department just completed an employment survey in January of 54 selected communities in the country. The figures in this survey confirm the fact that the construction industry has suffered double-digit unemployment for over 34 months now. I am including a copy of the survey for the Record.

Madam Chairman, there is no question that the 1976 local public works program was a success. The Economic Development Administration received over 25,000 applications totaling about \$24 billion when there was only \$2 billion to distribute. Of the 22,000 applications that were finally considered 1,988 were selected for final processing and approval; their total value was \$1.95 billion. Out of these 1,988 projects more than 300,000 jobs will be produced. With

an additional expenditure of \$4 billion we can expect at least 600,000 more jobs to be created.

Madam Chairman, when the Public Works Employment Act of 1976 was considered by the House last year it received overwhelming support, and was passed over President Ford's veto by a vote of 319 to 98. There is one reason for the consistent support this House has given to antirecession public works legislation. No Member of Congress, either Republican or Democrat, has a vested interest in unemployment. Members of both sides of the aisle sat through long hearings on this bill and concluded, as I hope the full House will again today, that unemployment—whether it is 8 percent or 7.5 percent or any percent—is not a Republican or Democratic problem—it is not a partisan issue—it is an American problem and a very serious one. This bill is aimed at one segment of our unemployed people—the construction workers, the building and tradesman, and the contractors who are out of work in every major city and town in this country. This bill is not going to put all of our unemployed back to work but is a vital and integral part of our economic recovery package which relies on the private sector and the private enterprise employers and employees to get the job done.

Last year we spent over \$19 billion in unemployment compensation just to maintain the unemployed. This year it is estimated that we will spend another \$16 to \$17 billion this year. A total of 23 States have been forced to take out loans from the Federal Treasury as the demands of high unemployment have exhausted their unemployment compensation funds. The failure of these States to fully recover from the recession is a major reason for their present indebtedness.

On top of the billion we are spending on unemployment compensation, the other benefits that are needed to maintain our unemployed population—food stamps, and aid to families with dependent children—totaled some \$16 billion last year, and will come close to these figures this year. Surely, \$4 billion spent for the creation of productive jobs under H.R. 11 is a better investment for the unemployed. I do not believe the American people want more handouts—more unemployment compensation checks—or other short-term measures. The people of this country expect more from Congress than tax cuts, and tax rebates. The people of this country want jobs and a chance to make a contribution to their community. The Local Public Works Act provides the opportunity for the unemployed to have a job and to make that contribution to their community. The public facilities that are constructed or repaired under this program make lasting improvements to communities all across this Nation. Hospitals, schools, human services centers, water and sewer systems, recreational centers, facilities for retarded people, and municipal buildings—these are all worthy projects that have been funded under this legislation and provided jobs to our unemployed.

While I had personal reservations

about the size of the budget resolution increases to provide for economic stimulus, the House has spoken and adopted that resolution. Of the programs contemplated by that resolution by far the best and most effective and productive program is this local public works and capital development bill. It creates private sector jobs and meaningful work. When completed these projects contribute to the building of vital and lasting investments in America.

Madam Chairman, passage of this act is absolutely imperative if we are to restore our Nation's economic well-being if we are to give people hope rather than despair in finding meaningful work and if we are ever to restore the productive capacities of our professed goals of full employment and full production. I urge the Members to join with me in support of H.R. 11.

HOUSE PUBLIC WORKS ATTACHMENT A  
COMPILED JANUARY 5, 1977

[In percent]

Nation	27.1	Plasterers	1
Northeast region	60	Roofers	13
Mid-Atlantic region	34.8	Tile and marble finishers	12
Midwest region	22.9	San Francisco, Calif.	30.3
Western region	20.5	Boilermakers	90
Southern region	24.5	Carpenters	20
Tuscaloosa, Ala.	11.5	Elevator constructors	21.8
Bricklayers	4	Engineers	31
Electrical workers	0	Painters	10
Laborers	25	Plumbers	15.4
Plasterers and cement masons	69	Roofers	5
Plumbers	0	Tile and marble finishers	0
Fresno, Calif.	21.8	Santa Ana, Calif.	9.5
Carpenters	22	Carpenters	12
Electrical workers	0	Electrical workers	20
Iron workers	60	Laborers	8.1
Painters	30	Millmen and cabinet makers	2
Plumbers	8	Painters	2
Roofers	30	Plasterers and cement masons	10
Sheet metal	18	Roofers	20
Los Angeles, Calif.	15.1	Santa Barbara, Calif.	29
Bricklayers	0	Carpenters	10
Carpenters	14.3	Electricians	60
Engineers	12.2	Laborers	24
Iron workers	21.5	Painters	35
Painters	15.9	Plumbers	28
Plumbers	22	Sheet metal workers	10
Sheet metal	18	Delaware	44.5
Oakland, Calif.	29.3	Asbestos workers	0
Bricklayers	40	Bricklayers	75
Carpenters	23.3	Carpenters	55
Laborers	10	Electricians	25
Lathers	38	Engineers	30
Lino and soft tile setters	3	Iron workers	50
Painters	33	Laborers	55
Plasterers	35	Lathers	20
Roofers	25	Millwrights	50
Sacramento, Calif.	22.4	Painters	60
Bricklayers	9	Plasterers	20
Boilermakers	40	Pipe fitters	50
Carpenters	11	Plumbers	35
Electrical workers	11	Sheet metal	35
Elevator constructors	7	District of Columbia	23
Engineers	35	Carpenters	25
Glaziers	0	Glaziers	22
Ironworkers	50	Iron workers	15
Laborers	41	Plasterers	49
Lathers	12	Sheet metal workers	14
Marble polishers	8	Stone and marble masons	10
Painters	14	Tampa, Fla.	34.8
Plasterers	24.5	Bricklayers	60
Plumbers	16	Carpenters	43
Roofers	10	Electricians	15
Sheet metal	17	Elevator constructors	45
San Diego, Calif.	16.7	Engineers	15
Bricklayers	18	Iron workers	36
Carpenters	24	Laborers	50
Electrical workers	10	Lathers	55
Glaziers	9	Millwrights	28
Laborers	13	Plumbers	18.5
Lathers	40	Sheet metal workers	50
Painters	11	Hawaii	16.6
		Asbestos workers	11
		Electricians	13
		Elevator constructors	2
		Lathers	20
		Plasterers	35
		Boise, Idaho	9
		Bricklayers	5
		Carpenters	11
		Electricians	0
		Laborers	20
		Painters	10
		Plasterers	10
		Plumbers	(On strike)
		Roofers	0
		Sheet Metal	0
		Chicago, Ill.	30.5
		Boilermakers	10
		Bricklayers	31.5
		Cement masons	40
		Electrical workers	12
		Elevator constructors	19
		Engineers	15
		Glaziers	2.5
		Iron workers	44.7
		Laborers	70
		Lathers	30
		Machinery movers	27

Painters	17.5	Bricklayers	40	Iron workers	28
Plasterers	6	Carpenters	40	Millwrights	35
Plumbers	11	Cement masons	40	Fargo, N. Dak.	13.6
Roofers	10	Electrical workers	33	Carpenters	18.2
Rockford, Ill.	10.3	Elevator constructors	14	Engineers	40
Carpenters	0	Operating engineers	50	Iron workers	1
Electrical workers	20	Riggers	60	Painters	1
Engineers	10	Glaziers	10.5	Plumbers	1
Iron workers	0	Iron workers	11.5	Sheet metal workers	10
Laborers	15	Laborers	17	Northeastern Pennsylvania Council	19
Plasterers	25	Lathers	28	Asbestos	33
Plumbers	0	Painters	22	Bricklayers	15.2
Roofers	10	Pipefitters	11	Carpenters	15
Sheet metal workers	25	Plumbers	33	Cement masons	10
Paducah, Ky.	49.4	Resteel	40	Electrical	20
Carpenters	40	Roofers	5	Elevator constructors	12
Electricians	40	Sheet metal workers	22.5	Laborers	19.5
Iron workers	44	Sprinkler fitters	3	Lathers	34.8
Painters	5	Tile layers	15	Operating engineers	15
Plumbers	80	Kansas City, Mo.	14	Painters	18
Roofers	10	Carpenters	20	Plumbers	15
Alexandria, La.	29	Cement masons	25	Pipefitters	25
Bricklayers	85	Glaziers	0.3	Roofers	12
Electricians	0	Iron workers	0	Sheet metal workers	20
Laborers	19	Laborers	6	Steam fitters	25
Lathers	20	Plumbers	11	Boilermakers	25
Plasterers	60	Sheet metal workers	10	Plasterers	3
New Orleans, La.	15.5	St. Louis, Mo.	9.3	Philadelphia, Pa.	48.6
Asbestos workers	0	Asbestos workers	0	Asbestos workers	15
Boilermakers	40	Boilermakers	10	Boilermakers	31
Electrical workers	5.5	Bricklayers	50	Carpenters	70
Elevator constructors	6.5	Carpenters	5	Electrical workers	40
Engineers	26	Electrical workers	4.5	Elevator constructors	30
Laborers	10	Elevator constructors	3	Engineers	35
Lathers	15	Operating engineers	25	Iron workers	32
Millwrights	37	Glaziers	7	Laborers	40
Painters	25	Granite cutters	0	Lathers	50
Plasterers	20	Iron workers	25	Marble polishers	31
Roofers	8	Laborers	20	Painters	40
Sheet metal	20	Lathers	21	Plasterers	66
Shreveport, La.	14.5	Marble finishers	0	Plumbers	40
Carpenters	5	Painters	3	Roofers	80
Cement masons	15	Pipefitters	0	Sheet metal workers	33
Electricians	2.1	Plumbers	19	Scranton, Pa.	28.2
Elevator constructors	10	Roofers	10	Bricklayers	75
Iron workers	27	Sheet metal workers	5	Carpenters	15
Plumbers	30	Terrazzo finishers	15	Electrical workers	20
Roofers	10	Tile workers	4	Glaziers	35
Portland, Me.	29	Lincoln, Nebr.	33.5	Laborers	75
Bricklayers	8	Bricklayers	10	Painters	1
Carpenters	65	Electricians	25	Plasterers	0
Electricians	3	Laborers	50	Plumbers and pipe fitters	3.1
Laborers	25	Plumbers	50	Roofers	2
Baltimore, Md.	32.8	Sheet metal workers	20	Akron, Ohio	24.8
Asbestos workers	20	Buffalo, N.Y.	36.4	Bricklayers	25
Boilermakers	35	Bricklayers	30	Carpenters	21
Bricklayers	50	Cement masons	30	Electrical workers	19.27
Carpenters	53	Elevator constructors	14	Laborers	35
Cement masons	30	Engineers	46	Painters	10
Electrical workers	35	Glaziers	29	Cincinnati, Ohio	26
Elevator constructors	10	Laborers	31	Asbestos workers	8
Operating engineers	13	Marble finishers	40	Bricklayers	40
Iron workers	30	Sheet metal workers	40	Boilermakers	10
Laborers	33	Long Island City, N.Y.	77	Carpenters	40
Lathers	10	Bricklayers	90	Elevator constructors	10
Marble finishers	7	Carpenters	30	Engineers	20
Millwrights	34	Iron workers	60	Laborers	23.8
Painters	0	Riggers	75	Lathers	50
Plasterers	50	New York City	67.5	Marble setters	50
Plumbers	36	Asbestos workers	45	Painters	24
Roofers	30	Blasters and drillers	70	Plumbers	9
Sheet metal workers	55	Bricklayers	84.5	Plasterers	30
Sprinkler fitters	33.3	Carpenters	40	Iron workers	15
Steam fitters	25	Concrete workers	90	Floor coverers	90
St. Paul-Minneapolis, Minn.	11.5	Elevator constructors	70	Sheet metal workers	13
Asbestos workers	11	Iron workers	57	Cleveland, Ohio	25
Bricklayers	20	Laborers	70	Asbestos workers	50
Carpenters	4	Lathers	68	Boilermakers	10
Cement masons	17	Marble setters	60	Bricklayers	45
Electrical workers	18.6	Painters	62	Engineers	14
Engineers	12	Plasterers	80	Laborers	43
Floor coverers	1	Plumbers	70	Painters	19
Lathers	30	Roofers	60	Plumbers	30
Painters	4.7	Sheet metal workers	52.6	Plasterers	43.7
Sheet metal workers	17.5	Rochester, N.Y.	41.1	Lathers	30
United Association	25	Asbestos workers	50	Columbus, Ohio	10.6
Detroit, Mich.	30	Bricklayers	45	Iron workers	14
Asbestos workers	22.8	Electrical workers	25	Plasterers	18
Boilermakers	14	Engineers	50	Plumbers	13
		Glaziers	25		

HOUSE PUBLIC WORKS ATTACHMENT A COM- PILED JANUARY 5, 1977—Continued	
Columbus Ohio—Continued	
Roofers	5
Sheet metal workers	5.7
Toledo, Ohio	14.1
Bricklayers	33
Carpenters	15
Elevator constructors	7
Glaziers	15
Painters	10
Plumbers	0
Roofers	3
Sheet metal workers	36
Portland, Oreg	11.6
Carpenters	15
Elevator constructors	11
Iron workers	18
Laborers	11.1
Lathers	0
Linoleum workers	0
Plasterers	10
Sheet metal workers	9
Dallas, Tex	24.2
Asbestos workers	0
Bricklayers	5
Carpenters	12
Elevator constructors	6.6
Electrical workers	33
Engineers	15
Floorlayers	50
Glaziers	10
Iron workers	50
Laborers	35
Lathers	0
Millwrights	52
Painters	20
Plasterers	60
Plumbers	16
Roofers	47
Sheet metal workers	11.5
San Antonio, Tex	41
Asbestos workers	30
Electrical workers	35
Elevator constructors	20
Engineers	40
Iron workers	80
Plasterers	14
Plumbers	30
Waco, Tex	12.5
Carpenters	0
Electrical workers	35
Painters	25
Plumbers	12
Sheet metal workers	10
Corpus Christi, Tex	11
Carpenters	9.4
Electrical workers	0
Engineers	20
Iron workers	20
Laborers	15
Millwrights	1
Operative plasterers	95
Plumbers	2
Seattle, Wash	18.5
Asbestos workers	5
Bricklayers	0
Plasterers	55
Sheet metal workers	15
Sprinkler fitters	20
Tacoma, Wash	17.9
Bricklayers	8
Carpenters	12.9
Electrical workers	25
Engineers	14.34
Painters	30
Eau Claire, Wis	26.2
Laborers	33.5
Painters	3
Plasterers	25
Plumbers	25
Roofers	0
Madison, Wis	26.3
Bricklayers	24.3
Carpenters	18.9
Electrical workers	43.3
Iron workers	32.3
Laborers	19.8
Painters	31.3
Plasterers	25
Plumbers	27
Sheet metal workers	51

Manitowoc, Wis	3.8
Bricklayers	4
Carpenters	0
Electricians	10
Engineers	5
Iron workers	0
Laborers	0
Painters	0
Plumbers	20
Roofers	0
Sheet metal workers	2
Milwaukee, Wis	13.3
Asbestos workers	2
Boilermakers	1
Bricklayers	3.6
Carpenters	6
Elevator constructors	6
Lathers	10
Plasterers	7.25
Plumbers	7
Sheet metal workers	0
Atlanta, Ga.	
Carpenters	22
Sheet metal workers	22
Plumbers	22
Iron workers	22
Operating engineers	7-8

Mr. ROE, Madam Chairman. I yield such time as he may consume to the distinguished gentleman from Puerto Rico (Mr. CORRADA).

Mr. CORRADA, Madam Chairman, I rise in support of H.R. 11, the local Public Works Capital Development and Investment Act Amendments of 1977, legislation that will increase the authorization for the 1976 legislation which, following its enactment last year, has already provided substantial benefits to the economic recovery of the country.

Madam Chairman, I would like to first briefly commend the members of the House Public Works Committee, its chairman, Mr. HAROLD T. "BIZZ" JOHNSON of California, the chairman of the Economic Development Subcommittee, Mr. ROBERT ROE of New Jersey, and to members of the committee on both sides of the aisle for their diligence and hard work in reporting out this legislation in such a short period of time.

As the newly elected Resident Commissioner from Puerto Rico, I can personally attest to the fact that the long-range benefits already begun in the first round of funding, will help our beleaguered construction industry and provide additional job opportunities in Puerto Rico.

We have an incredibly high rate of unemployment in Puerto Rico, officially it was 19.2 percent for the month of December. But the sad fact is that real numbers of unemployed are in the neighborhood of 30 percent. In the construction industry the level of unemployment in 1976 was around 45.2 percent with an estimated 42,000 workers idled.

Madam Chairman, it is plain that, if economic recovery is to be stimulated, one of the most practical solutions lies in the creation of jobs, through the legislation before us, and by the construction of valuable building projects so desperately needed in communities throughout the Nation.

The economy of Puerto Rico has experienced a slow down. But in the construction industry, that slow down has been most severe with a resultant drop, not only in unemployment, but in allied industries.

The construction business capability of Puerto Rico, as well as our desire to

find ways to enhance development rather than dependency, makes me believe that the congressional passage of the stimulus which will be provided by increased public works funding may be the vital key to our attempts, in Puerto Rico, to find our way out of the present economic difficulties in which the island finds itself.

The legislation which we are now considering is an essential part of President Carter's economic package. It is one of the first major pieces of legislation considered by the House of Representatives during the 95th Congress.

It is, in short, a needed symbol of hope to the country, that where unemployment is above the national average, this nation intends to fund thousands of essential job-creating projects that can be initiated on short notice.

I am particularly pleased that the Committee on Public Works, in its wisdom, has recommended removal of the 70-30 percent allocation formula. In Puerto Rico, it is a lamentable fact that there are no areas where unemployment is below the national average and the removal of this limitation will allow the island to distribute funds for public works projects more equitably.

The changes made by the committee will, I believe, result in a fair and just distribution of public works funds and it is with a measure of enthusiasm that I support the legislation being debated here today.

Mr. ROE, Madam Chairman, I yield such time as he may consume to the gentleman from New York (Mr. NOWAK).

Mr. NOWAK, Madam Chairman, I certainly want to compliment the chairman for the outstanding work he has done in bringing this bill to the floor.

Madam Chairman, I rise in support today for H.R. 11, providing increased authorization for the 1976 public works jobs program. This bill would authorize an additional \$4 billion for the program of Federal grants to support quick-starting, vitally needed community improvements and create jobs in the distressed construction and building trades industry.

The House Public Works and Transportation Committee has made some refinements in this legislation, principally to eliminate the inequities over the allocation formula use during the first \$2 billion round of funding in 1976. In sum, I believe that the committee amendments will result in a more equitable distribution of these funds in the future and refocus this program more clearly to the intent of Congress to target these funds to the areas of greatest need.

Therefore, I respectfully urge my colleagues to adopt the bill as reported by the Committee on Public Works and Transportation without amendment.

I believe there is general agreement that a genuine need exists to extend and expand this public works program at this time. Our national economy continues its sluggish recovery. Many of our older industrial areas are recovering at even a slower pace than the Nation at large. The economic deterioration of these areas was exacerbated by the recession. High unemployment and State

and local governments in dire fiscal straits remain an unpleasant reality.

Nationally, the projected low growth rate of 3 percent for the last quarter of 1976 has now been confirmed at an even lower rate—2.4 percent.

The combination of slow growth and nagging unemployment clearly indicate the need for additional economic stimulus by the Federal Government. The need for that stimulus is now. That is a principal reason why I urge the adoption of the committee-passed version of this legislation. If we keep this bill relatively simple, we can reap a much more expeditious return on our investment of these public works moneys. The administration and the Congress, I believe, are in general agreement on the concept. We must keep the momentum going.

Despite the complaints and the inequities of the first round of project grants under this program, I believe our experience overall has been a positive one. The need for this program was obvious. The Commerce Department's Economic Development Administration—EDA—received in excess of \$24 billion in applications for the initial \$2 billion that was available nationwide.

From these applications, EDA—meeting the stringent timetables for drafting regulations and reviewing the candidate projects—selected nearly 2,000 for project grants. These included 473 water and sewer facilities, 468 for municipal buildings, 133 for public safety facilities, 220 for streets and bridges, 49 for hospitals, and 6 for ports and harbors.

These are not make-work, leaf-raking projects. These are essential community improvements, many of which were stymied by recession-related fiscal pressures on local and State treasuries.

John W. Eden, the outgoing Assistant Secretary of Commerce for Economic Development, has been quoted as stating:

We are impressed with the quality of these projects and their capability to contribute long-term benefits to their communities.

He added:

The results have proven that it is possible to efficiently infuse public works investments into the economy.

Under the terms of the act, the actual work on these projects funded in the first round will begin in April. We have shown here too that it does not require years to inject public works moneys meaningfully into the economy.

Yet, the need for jobs, the need for vital community improvements continues. That is why we are here today. That is why I urge your support for the committee bill, H.R. 11.

The series of amendments adopted in committee will insure that the new funds are targeted to high unemployment areas. The refinements will certainly make more likely the fulfillment of congressional intent—that there be an equitable allocation of these finite resources.

These changes were made upon lengthy deliberation and reflection and after having heard voluminous testimony from all segments of the national community.

H.R. 11, as presented today, therefore, reflects what the committee members genuinely feel is the best approach to al-

leviating unemployment through public works expenditures.

For example, we have eliminated the controversial 70-30 percent distribution of funds that existed during the first round of funding. This particular provision received the most criticism during our hearings.

As you know, this required that 70 percent of all the funds be spent in areas of unemployment above the national rate and that 30 percent be spent in areas with unemployment below the national rate.

Deletion of this 70-30 provision will insure that jurisdictions suffering from excessive unemployment will not be ignored, while areas of moderate unemployment receive funding. Evidence of that type of inequity was illustrated in the final project award list compiled by the Economic Development Administration.

For instance, in my home State of New York, applications for the 70 percent portion of the appropriation reportedly were submitted at the rate of \$7 in applications for every \$1 in funds available. On the other hand, the ratio for the 30 percent portion was \$2 for every \$1 in funding. In other words, the competition for the 70 percent category was much more intense and, thus, areas of moderate unemployment had a much better chance of receiving funding than those of high unemployment.

This circumstance, contrary to the intent and design of the legislation, was repeated in other States and other communities.

The committee also approved an amendment that will require that the unemployment rates and statistics used in determining eligibility be the actual data of the applicant jurisdiction. Under the previous procedures, jurisdictions were allowed to utilize unemployment rates and statistics from adjoining areas. The resultant overweighting again thwarted the legislative intent to focus on high unemployment areas. In many cases, jurisdictions with excessive unemployment received no funding while neighboring jurisdictions, with less unemployment, were granted project awards. The committee has sought to preclude repetition of those situations by deleting the section which allowed such gerrymandering of unemployment statistics.

The committee also approved an amendment providing that the Economic Development Administration require that American-made products and supplies be used on projects approved under this public works program. Thus, in addition to the construction jobs created under this program, we seek to insure that the rippling benefits on materials suppliers impacts on our American economy. This provision will help stimulate our unused plant capacity and provide additional job opportunities.

I believe that the members of the Committee on Public Works and Transportation feel that the refinements in this legislation will result in a program that is equitable and that will benefit the areas of the greatest need the most.

I believe we have produced a bill that will benefit our national economy, while

assisting local governments provide the vital physical services needed to improve the quality of life.

Varied as they may be, these physical structures constructed under this legislation will long stand as memorials to the determination of the 95th Congress to act firmly and fairly during this period of national economic crisis.

Therefore, I urge the adoption of H.R. 11 as reported by the Committee on Public Works and Transportation.

I would like to commend the House leadership for their expeditious scheduling and enthusiastic support of this legislation and the skillful management of this bill by Mr. JOHNSON, chairman of the full committee, and Mr. ROE, chairman of the Subcommittee on Economic Development.

Thank you, very much.

Mr. ROE. Madam Chairman, I yield 1 minute to the gentleman from Connecticut (Mr. Dobb).

Mr. DODD. Madam Chairman, I thank the chairman for yielding. May I take this opportunity to congratulate the distinguished gentleman from New Jersey (Mr. ROE) as well as the members of the Public Works Committee for acting as expeditiously and competently as they have in bringing this desperately needed legislation to the floor. I also want to congratulate the chairman for making significant improvements in the extension of the jobs bill.

Madam Chairman, I would at this time like to engage the distinguished chairman (Mr. ROE) in a short colloquy regarding the use of "benchmarks" in the allocation formula of the bill.

I understand that the Economic Development Administration had established "benchmark" figures for each county or labor market area to determine the upper limit on funds going to any one area of a State—in other words to prevent overfunding.

I understand that benchmarks under the program extension could be determined on a community-by-community basis. Benchmarks then supposedly are based on the ratio of the number of unemployed in any one community compared with the total number of unemployed in the State.

My concern is this: How will we insure that communities with relatively low absolute numbers of jobless people—our small towns and cities—but with fantastic unemployment rates, will receive fair funding under the act? Just because a city or town is small, and thus has but a small percentage of the State's total unemployed work force, does not mean that its own jobless problem is any less severe and that it should not receive public works funds under this act.

How can we be sure that benchmarks will not discriminate against these smaller communities, that they still will receive the proper funding under the act?

Could there ever be a situation where a benchmark figure would be less than what a town seeks for any one project, thus preventing that community from obtaining any funds?

Or will the benchmarks only be used after a town has received funding for

at least one project, assuming it meets all other eligibility requirements, so as to prevent overfunding?

Mr. ROE. Madam Chairman, if the gentleman will yield, we think we have corrected that under the legislation. We do have a provision in the legislation which specifically directs that there not be undue concentration in one particular area.

Mr. DODD. Madam Chairman, I thank the gentleman from New Jersey.

Mr. HAMMERSCHMIDT. Madam Chairman, I yield 1 minute to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Madam Chairman, I thank the gentleman for yielding.

I, too, would like to engage in a colloquy with either the chairman or the ranking member on the question of benchmarks.

This question expresses my concern not so much that the small community might suffer, but as to the many examples that we have seen of a very small community with a small number of unemployed really getting many more dollars than a very large community with a lot of people unemployed.

I wonder how that has been provided for in this bill.

Mr. ROE. Madam Chairman, if the gentleman will yield, any one community has a right to apply under its level of unemployment. Of course, there is going to be some competition between the smaller communities and the larger cities. There is no question about that.

The benchmark would be set for the local communities to participate under, as the gentleman knows, so that if a community has a high level of unemployment and is competing with others, the one with the high level of unemployment is going to get the particular project. The trigger mechanism, I think, is important here. Therefore, if the Secretary is precluded from establishing undue concentration, all of the projects could not be put in one particular community.

Mr. YOUNG of Florida. Madam Chairman, I thank the gentleman.

Mr. HAMMERSCHMIDT. Madam Chairman, I yield 1 minute to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Madam Chairman, I am particularly concerned with that section of the bill on page 2 and page 3 known as the so-called buy American provision.

Our trade subcommittee, which has been concerned about this matter, has received copies of three letters, one from the Department of State, one from the Department of Commerce, and one from the special trade representative, all indicating opposition by the administration to this feature of the bill.

Madam Chairman, it is my understanding that the distinguished gentleman from Florida (Mr. GIBBONS) will be sponsoring an amendment to try to remove this particular feature of the bill; and I simply wanted to call the attention of all of the Members to this amendment which I hope will soon be offered.

Mr. HAMMERSCHMIDT. Madam

Chairman, I yield 1 minute to the gentleman from California (Mr. ANDERSON).

Mr. ANDERSON of California. Madam Chairman, I would like to engage in a colloquy with the gentleman from New Jersey (Mr. ROE).

I have a question about the city of Long Beach, which made six applications for urgent projects. Yet, none of these projects were funded.

As such, the city of Long Beach has, of absolute necessity, begun work on two of these projects. One is a fire station; the other is a street-improvement project.

My question then is, will the city of Long Beach be able to transfer funds from an approved project on which they have already begun work to another project submitted by the city if the unfunded project is considered to be of at least as high or higher priority in this city?

Mr. ROE. The basic fundamental provision in the legislation was that if a project was already under construction and the community had demonstrated that it had its own funds to proceed, it would not be considered.

As I understand the gentleman's question, the gentleman is talking about the pending applications for projects already under construction, could they possibly be funded in the second round?

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAMMERSCHMIDT. Madam Chairman, I yield to the gentleman from New Jersey 1 additional minute.

Mr. ROE. Madam Chairman, I think the basic point here is that all of the other applications of the community are active when they amend their application under the new criteria, then EDA will decide on the level of their eligibility to receive a grant award.

The question is, can they transfer any other funds in any other way. I do not know of any way they can do it under the bill.

Mr. HAMMERSCHMIDT. Madam Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Madam Chairman, I rise in opposition to H.R. 11, the public works jobs bill. It will throw another \$4 billion of our citizens' tax dollars into dozens of public works projects across the country. These projects—many of them highly questionable—will increase the inflationary pressures on our economy while doing little to reduce unemployment.

I am somewhat at a loss to understand the rationale for this multibillion-dollar proposal. The bill supposedly is an extension of the Public Works Capital Development and Investment Act of 1976, which set aside \$2 billion for public works projects.

The 1976 act, however had serious drawbacks. Despite the promise of providing speedy employment, few jobs have been created. Furthermore, much of the money has gone to fund projects of an extremely dubious nature.

Five months have already passed since funds were appropriated under the 1976

act. Yet the impact on the unemployment rolls is still virtually nil. According to the February 17 edition of the Washington Star, the scorecard so far is "some 250 people hired—by the Commerce Department to help figure out how to distribute the money."

And what a way the money has been distributed. Many questionable projects have been funded to the tune of hundreds of thousands of dollars. Port Graham, Alaska, for example, a town of only 122, received over \$882,000 to build a community service center. This works out to \$80,000 for each of the town's 11 unemployed citizens. Alaska's second largest city, Fairbanks, received nothing.

The population centers of Washington State—Seattle, Spokane, Tacoma, and Bellevue—were left out of the picture. Clarkson, however, with a population of 6,875 and an unemployment rate two points below the national average, received \$179,000 to build an animal shelter and an indoor pistol range.

To take another case, Mound Bayou, Miss., has only a population of about 2,134 people, approximately 217 of whom are out of work. Nevertheless, it was awarded \$4.9 million, about half of all the funds allotted to the State, for paving the streets and constructing a new municipal building and storage facility.

The list of anomalies could go on and on. After such a dismal record, it is hard to justify putting another \$4 billion into these projects. The rationale would seem to be that if \$2 billion in Federal funding is a dud, then just double the amount and try again. Frankly, I find this unacceptable. It seems to constitute an unconscionable waste of taxpayers' funds.

The next \$4 billion in H.R. 11 would be directed toward the 20,000-plus applications which are on hand but still unfunded. This leaves great potential for Federal funding of even more dubious projects. As the Washington Star facetiously noted, if your community was not among those selected, do not despair.

If the taxpayers' money holds out and the government's printing presses don't break down, the computers down at Commerce may get to all the applications eventually . . .

There's the danger, of course, that by the time the projects get going—even those under the first \$2 billion installment—the federal spending may fuel the inflation rate more than it reduces the unemployment rate.

In all seriousness, however, what really could be expected from this program? The 100-percent Federal funding provision in the 1976 act and now again in H.R. 11 is a major mistake. Local communities are offered the prospect of totally free money, with not even the smallest matching fund requirement to insure that the project is necessary. Consequently, the temptation is to request projects that are of low priority or are not needed at all and postpone projects that would better meet long-term needs.

Another major drawback is the long lag time between enactment of public works legislation and the point when the money is actually spent. Many months, if not years, can go by before the funds are finally utilized. A Congressional Budget Office document, for example, shows that well over 50 percent of the funds may

remain unexpended even 24 months after enactment of such a program.

The long delay makes public works projects an unreliable method of stimulating the economy. The majority of the funds may be spent so late that rather than increasing employment and speeding economic recovery the spending instead hinders that recovery by fueling inflation. Or, as the CBO has phrased it, "public works can potentially increase inflationary pressures if they add to the demand for scarce skills or materials during a recovery period."

Finally, funding of public works projects produces far fewer jobs than its backers claim. A study prepared by economist Alan Fechter of the Urban Institute indicates that each \$1 billion of spending provides only 30,000 to 60,000 jobs. Furthermore, the Federal money may displace up to 50 percent of State and local funds being used to provide public services. Consequently, public works legislation is a relatively ineffective device when it comes to fighting unemployment.

For these reasons, Madam Chairman, I am voting against H.R. 11 and I urge my colleagues to do likewise.

Mr. HAMMERSCHMIDT. Madam Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. HARSHA).

Mr. HARSHA. Madam Chairman, I think it is important at this point in the proceedings to point out to the Members that all of the projects, and all of the applications that are on file are certainly not going to be funded. Many of the communities may be disappointed again, as they were the last time. Actually we had some 25,000 applications calling for some \$25 billion in money, and we only had \$2 billion to go around. Also in this next round we are only going to get another \$2 billion. Obviously all the applications that are on file are not going to be funded.

Do not be deluded because we are extending the authorization on this bill that all of the communities that have applications are going to get more funds.

We are trying to do the best we can with the remaining resources we have because this hits at the highest areas of unemployment and hits at the highest areas of economic distress.

But again it is going to be kind of a lottery system where you make your application, or it is already on file—do not misunderstand me, there are those who have already filed them, but they are going to have to present new information and follow new criterions that will be set forth in the rules and regulations—but, even so, this does not insure that each of these communities is going to receive a grant from the Federal Government because there just is not enough money available to do that. So I wanted to caution the Members in that regard.

However, this particular legislation is a great improvement over the previous legislation.

The administration strongly supports this, and feels that it will be a help along with the rest of their package to try to give an economic stimulus to the economy and to bring about some relief to

the tremendously high unemployment, particularly in the building trades area.

Mr. CONTE. Madam Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Massachusetts.

Mr. CONTE. Madam Chairman, I join many of my colleagues here today in support of H.R. 11, an expansion, extension, and revision of the Public Works Employment Act. Much attention has been focused recently on the general state of the economy with a national unemployment rate of over 7 percent and a severe cold wave, which will have a particularly disrupting economic impact on regions throughout the Nation, especially the Northeast. These developments, coupled with the pledges of the new administration to stimulate the economy, have intensified our orientation toward direct job-creation programs. The Nation's key economic problem is unemployment and the solution is jobs.

As one of the original cosponsors of the Public Works Employment Act, and one who fought hard to get it enacted, I joined many of my colleagues last month in proposing expansion of this program based on examinations of the administrative problems which arose with the present program. Most of us would agree that that program did not turn out entirely as we had hoped and, from these results, we have before us legislation which corrects the most glaring inadequacies of the act.

The bill would add an additional \$4 billion authorization in fiscal year 1977 to fund direct, 100-percent Federal grants to State and local governments for public works projects that can create jobs quickly in areas of severe unemployment. Basic job creation programs are already on the books, and the necessary administrative machinery for many public employment programs already exist at all levels of government. These programs can be expanded quickly to provide jobs and consumer spending power vitally needed to rebuild the economy.

I believe strongly in using the public works program as a direct means for reducing unemployment.

After a series of intensive hearings and panel discussions, the Committee on Public Works and Transportation has presented us with legislation which addresses and corrects many of the major problems that occurred in the administration of the first program funding. An important revision made by the committee is in the elimination of the 70/30 split. Inadvertently, this formula for distributing funds worked in contradiction of the intent of the act to help the areas with highest unemployment.

As it turned out, applications under the 70-percent category had a 1-in-10 chance of being funded, while applications submitted under the 30-percent category had a 1-in-5 chance. This discrepancy appears to be a contradiction of the original intent of the legislation to help the most severe unemployment areas. I think we should give serious consideration to increasing the percentage of funds given to areas of highest unemployment.

In examining the rating criteria of the present program, it appears that insufficient weight was given to the long term employment creating effects of a proposed project. Such things as water and sewer lines, industrial park development, and urban renewal will have an impact on the economic viability of a community or region much longer than the actual duration of the project. We must provide funds for projects which will have an enduring economic impact—in attracting a business or industry to settle in an area and retaining jobs. I believe this should be a major consideration on awarding grants.

Recently, as you know, much attention has been focused on the economic erosion of the Northeast and Midwest regions compared to the economic standing of the Sunbelt States. As cochairman of the New England Congressional Caucus and a member of the Northeast-Midwest Economic Advancement Coalition, I am seriously concerned over the high unemployment and economic stagnation of the Northeast.

I believe it is imperative to initiate policies to reverse this regional decline and to take remedial action by determining more equitable Federal allocation formulas. Certainly unemployment is one of the major areas in need of infusion of Federal funds, since the Northeast has the highest unemployment and business failure rate in the Nation. Yet, over the years, this region has received the lowest in public works and average overall EDA funding. This trend was evident in the last round of public works funds distribution—a program which was conceived to target funds to those localities with the most severe unemployment problems.

Madam Chairman, I believe that the public works employment program is sound economic policy. This bill makes it clear that it is the intent of Congress to target funds to areas with highest unemployment. It is a realization of the magnitude of the unemployment problem—what it is doing to the Nation's people, industries, and quality of life. The public works program is not the sole remedy for our Nation's economic malaise—but it will move us closer to the goal of full employment and revitalization of our lagging economy. I urge my colleagues to support this bill and to act promptly in extending the public works employment program so we can get our people back to work.

Mr. HAMMERSCHMIDT. Madam Chairman, I yield myself 1 minute.

Madam Chairman, I wish to associate myself with the remarks that were just made by our distinguished ranking member of the full committee, the gentleman from Ohio (Mr. HARSHA), and to express my appreciation for the great leadership he has given to this bill from our side of the aisle in the full committee.

Madam Chairman, I now yield such time as he may consume to the gentleman from Michigan (Mr. SAWYER).

Mr. SAWYER. Madam Chairman, I rise in support of H.R. 11, providing for \$4 billion for increased authorization for the 1976 public works jobs programs.

In view of the climbing national unemployment rate, now over 7 percent, I concur with the objectives of this program of public works as a step toward relieving unemployment. I am pleased to see the reforms contained in H.R. 11, which incorporates the successes and weeds out the failures contained in the original legislation passed in the 94th Congress. Specifically, from the results which I have seen in my own congressional district, the promise of strict oversight and revision of the allocation formula will go far toward making this revised program a more effective vehicle in tackling unemployment.

I, for one, am philosophically opposed to the grab bag concept on handing out Federal funds; however, I believe funding these public works programs, which are already designed and ready to be implemented, will provide meaningful jobs to those seeking work, and at the same time, will provide for construction of useful permanent additions to the communities participating in the program. Projects such as parks, libraries, municipal buildings, and other badly needed public buildings will be built, and we will also provide a positive stimulus to our struggling local economies.

H.R. 11 is a good investment, and I believe the bill deserves our support.

Mr. ANDERSON of California, Madam Chairman, I thank our distinguished colleague, the chairman of the Subcommittee on Economic Development, Mr. ROE, for his clarifying answers to my questions today.

Chairman ROE, and Chairman JOHNSON of the full committee on Public Works and Transportation, have rendered outstanding service to this Nation by bringing this major piece of economic stimulus legislation to the floor of the House at this early date. As you know, this bill, H.R. 11, is a major component of President Carter's economic stimulus program.

I believe that President Carter and the Congress are demonstrating to the people of this Nation that their Government can act quickly, aggressively, and cooperatively, to bring improved health to our Nation's economy.

The Public Works Capital Development and Investment Act of 1976 demonstrated that local public works projects can be an effective means of quickly putting people to work in this country.

The bill before us today increases the original authorization for local Public Works from \$2 billion to \$6 billion. This should create an additional 600,000 jobs in the private construction industry and the related construction materials industry—an accomplishment in which we can all be proud.

Madam Chairman, the Local Public Works and Capital Development Act of 1976 is not a perfect piece of legislation—nor has it been perfectly implemented by the Economic Development Administration. H.R. 11 will improve the authorizing legislation itself—and I strongly urge its passage. But H.R. 11 will not perfect the implementation of the act itself. I am, however, encouraged by the commitment of Commerce Secretary Juanita Kreps and Economic Development Administra-

tor-designate Robert Hall, to make this program function quickly, properly, and effectively.

In this regard, I want to commend Chairman JOHNSON for his directive that the Subcommittee on Economic Development and Investigations and Review, carefully review all proposed rules and regulations to carry out this legislation before they are put into effect. I firmly believe that this type of oversight is a responsibility which we in the Congress have too often neglected.

Mr. SIKES, Madam Chairman, I support the bill before the House today to provide an increase in the authorization for the 1976 public works jobs program. However, I feel that proper safeguards must be included in the legislation to prevent the inequitable distribution of projects that occurred during the first phase of the jobs program.

Last fall, thousands of towns, cities, and local agencies applied to the Economic Development Administration for Federal assistance under the jobs program. More than 24,000 applications were submitted and, after EDA completed an extensive selection process, only 1,988 projects were approved. Shortly thereafter, municipalities across the country began to voice their protests. Inequities in the final allocations were pointed out. Prosperous communities with apparently little unemployment received significant allocations while neighboring jurisdictions, whose unemployment rates were much higher, got little or nothing.

Most of the counties in my congressional district, and particularly the smaller counties, were ignored in the selection of the new public works projects. Apparently the same inequitable distribution of projects took place throughout the Nation. I have no quarrel with the projects that were selected, but I am disappointed that so many meritorious projects were left out.

It is clear that the selection formula was unsatisfactory. Flaws in both the EDA regulations and the legislation itself have been pointed out since the allocations were announced in December. Recent hearings on this legislation indicated the necessity for major changes in the 1976 act in order to target the Federal assistance more accurately into the areas of greatest need. The hearings on the first round of funding also clearly showed that the next round of funding should insure a more equitable distribution of projects; simplify administration by making the program regulations more easily understood; reflect local priorities and eliminate gerrymandering of project areas so that program investments are oriented more toward the areas of greatest distress.

The jobs program was established to put people back to work, particularly in the construction trades where the unemployment rates have been consistently double the national average. But it was not created as a panacea for our Nation's urban ills at the expense of the jobless in rural America, as it turned out.

I strongly urge that the obvious discrimination against rural America, inherent in this act, be dealt with either

through administrative regulation procedures or by amendment on the floor of the House so that the jobs bill can have true significance to all Americans—not just those in the cities.

I am hopeful that the amendments which were drafted by the committee, designed to meet the objections raised during the hearings, will insure a more equitable distribution of projects. I am pleased that the committee intends to continue holding oversight hearings as the new program regulations are developed to help achieve these objectives. We must make sure that the selection formula meets the needs of those intended to benefit from the program before approving this legislation.

It is the intent of the committee that the 22,000 existing applications now on file be updated or revised and used in the next round of funding.

Mr. DRINAN, Madam Chairman, I rise in support of the Local Public Works Amendment Act, H.R. 11, which will authorize an additional \$4 billion in direct Federal grants for local public works projects.

This additional \$4 billion should provide a significant stimulus to the economy on top of the \$2 billion public works program which has already been funded. The new legislation is a top priority item in both the administration's and the Congress economic recovery program. According to the calculations of the House Public Works Committee, it should create as many as 600,000 new jobs in construction and related industries in those areas hardest hit by unemployment.

Madam Chairman, this new economic legislation comes none too soon. For my constituents in Massachusetts and others in the colder regions in the United States, this winter has been one of the worst in recent memory. It has greatly taxed our citizen's energy bills and led to many workers being laid off. It will indeed take a long time to recover from the winter of 1977, but I am hopeful that this bill will aid in that pursuit.

Under the original Local Public Works Act which was passed in the 94th Congress, \$2 billion were made available for local construction projects. Under this program, more than 25,000 applications were received from municipalities all over the country. Unfortunately, these applications far surpassed the funds which were appropriated to finance the bill. As a matter of fact, a total of \$24 billion in assistance was requested by towns and cities for public works programs.

While the Congress is authorizing an additional \$4 billion for the new legislation, Madam Chairman, there can be little question that the additional amount will only fund the projects of a limited number of municipalities. The legislation will create jobs and it will provide the economic stimulus which we need as a whole in the United States. However, the Federal Government's resources are limited and many towns and cities are bound to be disappointed. I sincerely regret that these funds are limited, but if this legislation does indeed help to stimulate the economy, much still will have been gained.

Under the terms of H.R. 11, many of the original provisions in the public works bill have been changed. As my colleagues know, there were situations whereby funds were misallocated to States and municipalities whose unemployment needs were not as great as others. In many States, in particular those towns and cities which were most hard hit by unemployment, received no grants from the Economic Development Administration in their implementation of the program. Therefore, many of the reforms encompassed within the bill were sorely needed.

One of the biggest problem areas for the original Public Works Act concerned the use of unemployment statistics. Because the EDA regulations took into account only a 3-month unemployment average, States such as Massachusetts were unfairly represented in their ranking of high unemployment areas.

With the passage of H.R. 11, unemployment data will be expanded to include the 12 most recent months' average for unemployment. This should help to eliminate the seasonal fluctuations in the joblessness statistics and record a large number of unemployed workers whose jobless status has not been carried in statistics due to quirks in the system.

Another change in the new public works bill is that the former "70-30 percent" formula funding will be eliminated. Under this previous formula, only 70 percent of the funds had to go to the highest unemployment areas in the United States. With the new bill all of the funds of the act will be targeted for high unemployment areas, which should substantially benefit the most hard pressed States. In combination with the fact that the unemployment reporting will be improved, the distribution of funds should become much more equitable under the new formula.

There are other changes in addition to those that I have mentioned here, Madam Chairman, which will go to improve the original legislation. There is no need to go into each of these provisions, though I would like to advise the Economic Development Administration that they should apply these improvements with great zeal in order to insure the proper workings of the program. Many localities were hurt by the original EDA formula, and I am hopeful that this experience will not be repeated in the next round of funding.

Madam Chairman, in spite of the problems which we have seen here already, I feel that this new legislation will help to both equitably distribute public works funds and stimulate the U.S. economy. It is unfortunate that more funds are not available, but this additional \$4 billion should have a substantial positive effect on the continuation of our economic recovery.

I therefore urge my colleagues to support the passage of H.R. 11.

Mrs. COLLINS of Illinois. Madam Chairman, I rise today to urge all of my colleagues to support H.R. 11, which provides increased authorization for the 1976 public works jobs program. As a cosponsor of H.R. 1971, an identical

measure, I believe that passage of this bill is crucial to the success of our attempts to bring about an economic recovery in America.

December's unemployment figures listed 7.6 percent of the Nation's work force as being out of a job. In my own district in Chicago there are pockets of persistent high unemployment that exceed the national figures. I receive many heartbreaking letters every day from those who are unable to find jobs. And this is by no means a problem unique to my district. There is pervasive unemployment nationwide, particularly in the metropolitan areas.

If passed, H.R. 11 will create up to 600,000 new jobs. These jobs are needed badly by the many men and women who have spent too long hunting fruitlessly through the classifieds and checking with the employment agencies for jobs that do not exist. To reiterate, passage of this measure will help to alleviate the severe shortage of jobs affecting my district and those of many of my colleagues.

It is essential to both those currently unemployed and to the Nation's economic recovery that we vote positively on H.R. 11 today.

Mr. ST GERMAIN. Madam Chairman, while my colleagues are debating this crucial legislation. I would like to once again stress the importance of the first word of the title of this bill: local. The emphasis is on putting those unemployed local residents to work on the public works projects this bill would create. The Economic Development Administration has encouraged the use of local labor, but has not always made this a mandatory requirement.

I would strongly urge that, along with the other improvements in the existing program which this bill will provide, we should give consideration also to the impetus for the creation of the original legislation: the need to provide jobs for unemployed residents of areas with high unemployment rates.

Too often, I have found it necessary to remind a community receiving a grant under this program that the funding was awarded on the basis of unemployment statistics. If this data is disregarded once the money is received, then the entire purpose of this legislation is frustrated.

Therefore, I hope that in extending, enlarging, and improving the Local Public Works Capital Development and Investment Act, due attention will be paid to the use of local labor on the construction projects which are funded.

Mr. ALEXANDER. Madam Chairman, I rise in continued support of H.R. 11, extension of title I of the Public Works Employment Act of 1976. There is no question as to the potential of this program to stimulate the economy. Public works jobs programs serve a twofold purpose: while putting scores of unemployed individuals to work, these programs also stimulate local economic development by providing cities and towns across the Nation with needed buildings and facilities.

In the first round of grants we saw local units of government acquire funding for community centers, schools,

courthouses, police and fire stations, water and sewer improvements, and other basic building blocks necessary for economic development.

I recognize the abundance of the testimony that the committee heard in favor of elimination of the 70-30 split as mandated by the 1976 act and I believe the committee acted wisely in increasing the minimum allocation from one-half of 1 percent to three-quarters of 1 percent for those States, like Arkansas, which received the minimum appropriation in the first round of grants.

I would ask my colleagues, however, to keep clearly in mind as we debate jobs proposals that the unemployment problems of nonmetropolitan areas are just as severe, in degree if not in numbers, as the unemployment problems of metropolitan areas. Unemployed workers in the countryside are just as unemployed as the jobless in the cities.

The most recent Bureau of Labor Statistics data available indicates that roughly 30 percent of those individuals unemployed live in nonmetropolitan areas. This is a disproportionately large percentage when compared with the portion of the total national population that actually resides in nonmetropolitan areas.

In extending and revising this program, we must insure that it, as well as all other programs, gives equitable treatment to all regions of the Nation. The provisions of Public Law 94-369 should be strengthened to provide continued insurance against undue concentration of assistance in one region of the Nation or in any State.

I believe the committee has done a commendable job in the revisions it proposes. The change in the time span for unemployment data used in making grants from the three most recent consecutive months to the 12 most recent consecutive months will, I believe, give better treatment to those areas throughout the Nation with longstanding, chronic high unemployment rates.

The law has also been strengthened by requiring local units of government submitting more than one application to give their list of priorities at the time of application. This will help to insure that the most pressing needs of a distressed area are being met.

I would caution, however, that the Congress must continue to monitor the alterations which the Economic Development Administration makes in its formula and point assignment for ranking of project applications.

As a sponsor of H.R. 11, I urge speedy adoption of this legislation by the House and swift action on the appropriations necessary to fund extension of this economic-stimulus program.

Mr. GILMAN. Madam Chairman, I would like to take this opportunity to commend the House Committee on Public Works and Transportation on their thorough study of the Local Public Works Capital Development and Investment Act of 1976 and the proposed amendments in H.R. 11 which would rectify the problems encountered in the administration of the act, thereby insuring a more

equitable distribution of projects and eliminating the "gerrymandering" of project areas so that funds will be projected toward those areas in greatest need of funding.

As cleared by the Congress, this measure will authorize a total of \$4 billion in new funds for State and local public works projects: An authorization which reflects the conviction of the Congress for the need for timely funding of programs designed to correct our Nation's serious unemployment problem. As we are all well aware, the original program prompted what can only be described as a national furor: Literally thousands of communities across the country complained of the inequitable distribution of funds for their projects. And not without good reason, for hundreds of communities in every State with unemployment rates way over the national average received no funding whatsoever from a program designed to pump dollars for public works projects into high unemployment areas.

In view of the obvious problems in the allocation and distribution of funds, I applaud the revisions proposed in H.R. 11 which refines our approach to this act, insuring a more equitable distribution of emergency jobs money for areas which urgently need these funds.

I still have reservations, however, regarding some of the proposed amendments to the Public Works Capital Development and Investment Act, which I would like to bring to my colleagues' attention.

First, section 111 of the act, if amended, would "authorize the Secretary to make grants for projects that were not received, not considered, or were rejected solely because of error made by an officer or employee of the United States."—page 6, House report to accompany H.R. 11. While I firmly believe that communities which submitted their applications for funds in good faith and were rejected because of errors made by another agency should be considered for this round of funding, I believe just as firmly that every community should also be allowed to revise and improve their existing applications if they believe such corrections are in order, and that any community should be allowed to resubmit its application, no matter why their project was rejected. This would not only insure that the applications already submitted to the Department of Commerce would be utilized so that the large amounts of money and hundreds of hours of preparation time spent on individual applications will not go to waste, but would also allow hundreds of worthwhile projects to have a better chance to receive urgently needed funds.

Second, according to the House report submitted by the committee on Public Works and Transportation, the committee provided, in section 108(c), "That information regarding unemployment rates may be furnished by the Federal Government, or by States, or by local governments provided that the secretary of commerce determines that such unemployment rates are accurate,"—page 5, House report. I urge that if local governments are able to substantiate unemploy-

ment figures which differ radically from Federal or State unemployment figures, these communities should be allowed to certify these figures and utilize them in their applications for project funding.

Third, although H.R. 11 does implement many improvements over the former Public Works Act, it still does not rectify a basic injustice in the original program: The allocation of project funding in such a way that urban areas are favored over rural areas. Because the old formula basing appropriation allotments upon the absolute numbers of unemployment rather than the rate of unemployed, rural areas with comparatively low density populations cannot compete with urban areas, even though these rural areas may have an equal for even higher percentage of unemployed individuals. One method of rectifying this inequity would be to allow communities to determine their own labor markets in terms of counties, and have the Department of Commerce certify these labor markets so that they might be used in revising applications.

Fourth, under section 108(e), another amendment provides for only urban "pockets of poverty" to receive assistance. I suggest that this provision be rewritten to include "pockets of poverty" to rural areas. Many districts, including my own, have towns and villages whose unemployment rate exceeds that of the county in which these communities are located. If these rural areas are not allowed to use their own unemployment rate in project applications, they will not be able to receive a fair and urgently needed share of project funding.

Fifth, it has come to my attention that no system to guard against computer errors in compiling and analyzing data received from applicants has been proposed, although I, along with many other members pointed out to the Public Works Committee, that computer runs were often significantly inaccurate in their results. I strongly urge that an independent check of all data be made before it goes into the computer, to guard against any incorrect statistics being utilized to administer funds.

Finally, section 108(c) of the Public Works Act specifies that EDA must provide assistance to a community seeking to determine its unemployment rate. I believe that EDA should have qualified staff members readily available on a permanent basis to consult and assist communities in the technicalities of revising and correcting applications, so that every community can receive prompt and adequate guidance from EDA when completing their applications. Furthermore, the geographic quotas used by EDA should be published ahead of time so that applicants will be aware of the maximum amount and the areas for which their community is budgeted. It is my contention that these two provisions will greatly aid EDA in complying with section 108(c).

In our next public works legislation, these proposals should be considered so that Federal funds can be channeled to areas where they are most desperately needed and so that the original intention of the Congress' public works legislation, the rectification of our Nation's serious

unemployment problem, will be properly fulfilled.

Mr. MITCHELL of New York. Madam Chairman, the bill before us is designed to pump needed money into worthy local public works projects as soon as possible to provide jobs for a large number of unemployed Americans, particularly in the construction trades, right away. I think it will accomplish that goal and therefore is deserving of our support.

On the domestic scene, our No. 1 priority should be to develop job opportunities for our people. We should do everything we can to make it possible for our citizenry to earn their way.

Millions of Americans are unemployed in this land of plenty. I am not one who subscribes to the theory that these people are all looking for handouts from a benevolent government. Rather I think they are looking for a helping hand, an opportunity to be gainfully employed in order to provide the basic necessities of life for self and family.

The Public Works Employment Act of 1976 was a bold venture. We proved that we have the capability to act with dispatch to meet a crisis. That crisis—the alarmingly high rate of unemployment—was not going to go away by itself. Obviously, we all would have preferred to have the shaky economy get on solid ground by itself and through the normal course of events create new job opportunities for an expanding workforce without the necessity of some form of intervention on the part of the Federal Government. But that was not to be. We faced the problem forthrightly and the Public Works Employment Act was a part of our affirmative response.

All across the country, the program was viewed as a needed shot in the arm. However, all of us who gave it support were understandably concerned about the ability of local governments to take advantage of what was being offered. Would they have the immediate response capability we sought? Could they come up with worthy public works projects right away and did they have the ability to get them underway without delay?

These and the many other questions we had were answered promptly. The response from all across America was overwhelming. Applications by the thousands poured into the regional offices of the Economic Development Administration.

I will not go into all the details of the first go-around of funding. We all know the numbers. More than 25,000 applications were received, representing billions of dollars worth of projects.

As we now know, the funding was totally inadequate if we were to come even close to meeting the expectations of our mayors, county and State officials. We soon learned \$2 billion did not go far, out of the more than 25,000 applications received, only 1,988 were funded before the well ran dry.

We also learned that there were many deficiencies in the original program which resulted in disappointment after disappointment. There were voids all over the map, areas of substantial and persistent unemployment which did not get a dime for worthy projects. Other

areas, with lesser rates of unemployment got projects funded while neighboring jurisdictions, with a far more serious rate of unemployment, drew a blank. Some areas used one set of figures from one source while others used entirely different figures from another source.

There were problems. That is for sure. But despite the problems, it quickly became evident that we had a program which—despite all of its faults—gave every promise of meeting its stated objective without undue delay. Wisely, we did not stop our effort. Unemployment continued. So did the need for jobs. Immediately we launched an effort to come up with an expanded, improved program which brings us to the point where we are today.

H.R. 11 incorporates many of the changes and improvements that I and a number of my colleagues sought in our effort to guarantee a better program, one that would come closer to guaranteeing a fairer, more equitable distribution of projects and funds.

The managers of the bill have focused attention on these changes so I will not go into detail on them. However, I wish to register my support for reserving all of the funds—100 percent—for those areas with an unemployment rate above the national average. And I think it makes sense to start in the second round of funding with those applications already on file.

I like the concept of using unemployment statistics for the previous 12-month period, rather than the previous quarter as was the case in the first round, because this allows for seasonal fluctuations and pays the most attention to areas where the unemployment is both substantial and persistent.

I also favor elimination of the provision in the original act which permitted jurisdictions to gerrymander a project area so it could use a distant jurisdiction's unemployment figure, to "beef up" an application's standing. The result of this was that many areas with a lesser unemployment problem came out on top with their "beefed up" applications while more severely depressed jurisdictions which did not employ the gerrymandering tactic ended up with nothing.

Yes, the bill before us represents a significant improvement. It is deserving of support without major revision. I am sure there are some technical perfections that will be added during our proceedings, but on an overall basis it is my feeling the Public Works Committee, particularly the Subcommittee on Economic Development, under the able leadership of my distinguished colleague from New Jersey (Mr. ROE) deserves commendation for the product presented for our consideration.

I am hopeful, Madam Chairman, that the House will go along with our national allocation formula and not alter it as our colleagues in the Senate did yesterday. We must continue to place our greatest emphasis on helping areas with the greatest need. It is not simply a parochial view to advocate extra consideration for States like New York—or New Jersey, Connecticut, and a number

of others—where the unemployment is above the national average. To do so is consistent with the intent of the legislation.

My hope is that we will act with dispatch in approving a good bill. The bill before us, as reported by the Committee on Public Works, passes that test.

Mr. CLEVELAND. Madam Chairman, considering what we have seen in recent years in the way of court decisions, bureaucratic idiocy, and congressional impoundments, I am getting the impression that we are destroying more jobs in this country than we could ever hope to create through H.R. 11.

I therefore rise in opposition to its passage, not so much for what it does as for what it does not do; namely, unshackle a huge assortment of public works programs, not to mention private sector construction, already on the shelf in such high-priority areas as water pollution control, long-term economic development, bridge and highway construction, housing for the elderly, and many others.

It is nothing short of a tragedy that at a time of need for jobs and public facilities in our communities we cannot turn the spigot and get these programs moving.

This bill is not all bad: I see some good in it. Certainly it is an improvement over the original \$2 billion number with all the booby traps legislated into it.

There is no doubt that this bill will eventually be enacted and that some worthwhile projects will result. But the fact is that we have no earthly idea what the results of the first \$2 billion ration are going to be, much less the results of a \$4 billion expansion.

I am as concerned over jobs—public works jobs—as anyone in this House. But I am concerned over net impact. How many will be created? How many would have been anyway under other Federal and non-Federal programs? How many of the latter were and are being delayed while communities exhaust all possibilities of obtaining 100 percent Federal funding?

On February 18, Assistant Secretary Eden wrote me confirming that there can be no answer at this juncture. But he also wrote in response to other questions I posed as follows:

In regard to your question concerning a comparison of our long-term program to the Local Public Works Program, we calculate that over half of the projects selected for local public works funding are for types of projects that are not normally funded under our regular program. These projects include construction for public safety facilities, hospitals, schools, and public buildings. The regular program is not normally used to fund these kinds of projects because they do not have significant long-term economic development impact.

There you have it. Projects that are nice to have, some certainly needed. That is not the point. The question is whether we get the multiple benefit of short-term job creation and long-term economic revitalization which can best be achieved under local plans and priorities.

I shall not impose further on Members' time. The full text of a sermon on the

subject is to be found in my views accompanying the committee report on H.R. 11.

Regardless of whether Members share my views on H.R. 11, I hope we can shortly join in the task of making programs already on the books work, take a new look at the employment potential of long-term economic development programs and examine other unmet needs now stalled by senseless legalities and bureaucracy. One area becoming critical is inadequate prison facilities. It will be interesting to see the extent to which H.R. 11 can help meet needs in this area.

Mr. AMMERMAN. Madam Chairman, we are taking today the second step in as many days toward breathing life into our lagging economic recovery. With passage yesterday of House Concurrent Resolution 110, the third budget resolution for fiscal year 1977, the House adopted a revised set of budgetary targets which hopefully will provide the spur our economy has been needing to move more rapidly along the road toward better economic health and reduced unemployment.

The bill we are taking up today would provide the funding authorization for one of the most critical components of that economic stimulus package—the accelerated public works program. H.R. 11, of which I am a cosponsor, would authorize an additional \$4 billion in fiscal year 1977 for quick response public works projects—those which State and local governments can start within 90 days.

Our committee tells us that this bill could create as many as 600,000 more jobs, the vast bulk of them in the hard hit construction industry. With the Nation's unemployment rate still standing at between 7 and 8 percent, those jobs are badly needed. For even if we adopt this program and the rest of the economic stimulus package, our unemployment rate is still projected to be almost 7 percent at the end of this year and over 6 percent at the end of 1978.

As I said yesterday, we have to lick unemployment if we are going to attain fiscal responsibility. That is one of the major reasons why I am supporting this legislation.

As we are all well aware, the \$2 billion authorized by the Public Works Employment Act of 1976 has proved to be quite inadequate. Less than 2,000 of the some 24,000 applications filed by our States, cities and localities could be approved. Thus the infusion of additional funds in fiscal year 1977 called for in H.R. 11 is not only essential for job creation, it will also finance worthwhile public projects from the list of over 22,000 applications still pending.

This bill not only authorizes more money, it incorporates amendments designed to meet a number of objections to the program pursued under Public Law 94-369. One key amendment would eliminate the provision of current law limiting to 70 percent the proportion of the funds authorized which can go to areas with unemployment above the national average. Another would lengthen from 3 to 12 months the period of time over

which unemployment rates would be calculated for purposes of this act. This provision would eliminate the impact of seasonal fluctuations in the unemployment rate on fund distribution.

Still a third change worthy of mention is an amendment directing the Economic Development Administration to give priority to projects which would result in energy conservation. In today's era of fuel shortages and declining domestic production, this is surely a commendable emphasis.

With these and other improvements, this bill is clearly deserving of our support. Having endorsed the basic approach to economic stimulus set out in the revised budget resolution, let us now proceed to implement its specific elements. With that I urge my colleagues to support this bill.

Mr. APPELGATE. Madam Chairman, I rise today to speak on behalf of the Local Public Works Capital Development and Investment Act which I am proud to cosponsor. As a new member of the Public Works and Transportation Committee, I have been impressed with the hard work schedule our committee has maintained on this much needed legislation. Chairman Biz JOHNSON and Subcommittee Chairman Bob ROE provided the direction and leadership to complete our difficult job on schedule.

This legislation is very much needed, due to our sluggish economy. The EDA has received 24,000 applications requesting some \$22 billion last year for this program. The very severe winter which Ohio has experienced will have ramifications far into next year. This program has caused great expectations throughout my district. There were 63 applications requesting 63 million refunds throughout our area, enough to use all of Ohio's allocation. However, the program as it was administered caused a great many inequities.

After hearing more than 80 witnesses representing city, county, State and Federal governments, organized labor, contractors, environmentalists and public interest groups, we rewrote the law.

Speaking for all of us on the committee who worked so hard, we earnestly hope our changes enable a new administration at the Department of Commerce to award the grants where they are most needed.

Mr. COTTER. Madam Chairman, I rise in support of H.R. 11.

Title I of the Public Works Employment Act of 1976 was the result of months of labor by the House Committee on Public Works and Transportation. It came in the midst of one of our Nation's most serious economic recessions—a recession that took its heaviest toll in the construction industry. In that sector, unemployment rates of 40 percent were not uncommon.

Title I has two purposes: to stimulate employment in the construction industry, and to help State and local governments undertake public works projects and services that they could not finance themselves.

We had great hopes for this program when it became law over the President's objections last fall. The committees

which labored over it and the Economic Development Administration which administered it both did outstanding work, but as we know all too well, the program was defective and its allocations often inequitable.

I asked town officials in my district this year to explain their complaints about local public works programs in detail and to recommend changes that would make it more efficient and equitable. Among many helpful suggestions, two were stressed over and over again.

First, the program should be more equitable in its distribution of grants.

Second, it should be made more simple and more easily understood.

I believe the public works extension we have on the floor today can achieve these goals, and I therefore urge my colleagues to vote "yea" without amendment.

This bill eliminates many of the utmost unworkable and inequitable features of last year's program. The so-called 70-30 split in appropriations which caused unfair competition for grant money between high- and low-unemployment jurisdictions, does not appear in this bill. Moreover, a new provision allows applicants to indicate their priorities among the projects they have proposed for Federal funding. This provision eliminates EDA "guesswork" and the funding of low-priority projects that was so common in last year's program.

Today's legislation also puts an end to the loophole that allowed municipalities to "borrow" the unemployment statistics of neighboring communities. This loophole permitted many high unemployment jurisdictions to win massive grants while adjacent cities where unemployment was higher, went begging.

Other improvements in the new legislation should be noted especially a set-aside for native American tribes and the guarantee that congressional oversight of regulations will take place before they are approved.

Chairman Bob ROE should be commended for expertly guiding his subcommittee in their complicated work. He and his subcommittee have done much to make local public works an efficient program that concentrates its efforts on the municipalities that need help the most.

Ms. MIKULSKI. Madam Chairman, I wish to speak in favor of H.R. 11. This is a good beginning to put American people back to work. Presently there are 7.6 million Americans who are out of work; another million who have dropped out of the work force and 3.4 million who are working part time because full-time work is not available. If America is to continue to grow and remain strong, Americans must have meaningful jobs.

I also favor many of the amendments to the local Public Works Capital Development Act of 1976 included in H.R. 11. The allocation in the past contributed to many inequities. In fact, the citizens of Baltimore did not receive their fair share of the funds. One example of the inequities was that a county in Maryland that had unemployment rates below the national average received \$5.5 million, whereas, Baltimore with an unemployment rate of 8 percent—received \$5.7 million—virtually the same dollar

amounts for two different economic situations.

In particular I applaud the following amendments:

First. Deleting the provision that 70 percent of the funds appropriated go to State and local governments having unemployment rates in excess of the national average and the remaining 30 percent go to other jurisdictions.

Second. Deleting the provision which permitted local jurisdictions to include in their figures the unemployment in adjoining areas.

Third. Changing the timespan from 3 months to 12 months in determining the unemployment data to be used.

Fourth. Changing the point allotted to per capita income from 15 to 5. This will allow for a fairer distribution for people in urban areas.

Fifth. Adding the provision that would require the use of American material and American-made articles on projects approved under this act. Since the purpose of this act is to increase the total number of jobs for all Americans; this provision would increase jobs in those industries which manufactures these materials.

Sixth. Adding the provision that if a district applies for more than one grant, the applicant would establish its own priorities. In the past, the determination was made by EDA with no consultation with the applicant.

I still feel that the allocation process will not be entirely equitable. I would like to see the distribution based solely on the unemployment rate in each State. In other words, delete the provision that 65 percent of the funds would go to all States based on the unemployment rate and then an additional 35 percent would go to States that have unemployment rates above the national average. This discriminates against the citizens of Baltimore. The unemployment rate of the State of Maryland is not above the national average, but in Baltimore and other sections of Maryland it is well above the national average.

In conclusion, I would like to reiterate my support for H.R. 11. We must continue to do more so that all Americans who want to work, will have a job.

Mr. BOLAND. Madam Chairman, H.R. 11, the Local Public Works Capital Development and Investment Amendments of 1977, comes before us today as a vehicle of necessary change, a repository of great hope. It is our expectation and intention that the jobs it will create will provide employment in a severely hard pressed economic sector, the construction industry. Some 600,000 jobs in construction and related industries are predicted to result if the full \$4 billion of new authorization in this bill is appropriated. The economic jolt such an infusion of spending will have on the economy as a whole is an integral part of the administration's assault on recession and stagnation.

I believe that this bill provides a program which can be of enormous assistance to economic recovery—if it is properly organized from the start. I was one of the first sponsors of the original title I bill. I would like to see public improve-

ments of a lasting and socially important nature result from the economic policies we employ to return this Nation to full employment and economic health. Nonetheless, I found serious fault with the end results of the project allocations made under title I in my home State of Massachusetts.

My objections centered principally around the geographic distribution of title I funds. Nearly one-half of the State, encompassing two congressional districts and parts of a third, shared only one grant. I saw communities, from other areas I consider affluent, receiving grants while, at the same time, the applications of communities with much higher numbers of unemployed were rejected. The formula devised by EDA simply acted to place all those badly needed public works employment jobs in the eastern portion of our State to the near exclusion of the western half.

I have stated publicly on a number of occasions that I would myself offer an amendment to this legislation when it reached the floor to mandate geographic distribution of new title I funds if necessary. When this legislation was in committee and the subject of hearings, I joined spokesmen from numerous communities in Massachusetts in urging a more equitable distribution of title I allocations under the new law. It is as a result of our comments and those of other areas which have suffered similarly that the Subcommittee on Economic Development has rewritten title I to drop the 30 percent set-aside for projects in areas with less than the national rate of unemployment, increased the period for computation of unemployment statistics, prohibited the "gerrymandering" of project areas and revised the weight given per capita income figures. These changes can all, I believe, help to prevent the uneven concentrations of funds that resulted during the last go-round. They represent the consensus of the committee in reviewing title I. I have deferred plans to offer an amendment to provide geographic distribution of funds only because I have been assured these changes will help accomplish the same result.

During the next round of title I allocations that will result when this bill becomes law, nearly all the funds which are distributed will go to communities which have already applied for funds in round 1 and whose applications can be swiftly reweighed under the law's new criteria. In addition to this, there is a small set-aside for projects which were denied or which were not considered or even received solely because of the error of EDA reviewers. I welcome this section although I am certain other Members are aware of many such applications from their own districts. There will unquestionably be a long line of applicants in this category.

Madam Chairman, these ills of the past will be best forgotten only in light of the smooth functioning of programs which have been corrected to prevent their recurrence. I have great hopes for the success of H.R. 11 and I only trust that our deliberation today lead us to a vehicle which can satisfy those hopes.

Mr. FORD of Michigan. Madam Chair-

man, I rise in support of H.R. 11, a bill I cosponsored with Chairman ROE, which provides for a \$4 billion refunding of title I of the Local Public Works Employment Act. This measure is not only vital to my State of Michigan, but is essential to the slumping economy of our Nation.

The Public Works Employment Act has a stated twofold purpose—first, to alleviate the problem of national unemployment, and second, to stimulate the national economy by assisting State and local governments build badly needed public facilities. Nothing could be more appropriate for Michigan—and especially for the district I represent.

The legislative mechanism is now in place and I commend our colleagues on the Public Works and Transportation Committee for their efforts in helping this program become law. Unfortunately, however, although some \$2 billion in funds has already begun to flow, the problems the bill was designed to solve still persist—and in some cases they have grown even more severe.

Let me give you one example from my own State of Michigan. The district I represent encompasses the suburbs of Detroit located in western Wayne County. This area has been one of the hardest hit in the country; it continues to suffer double digit unemployment. One of the hardest hit industries in metropolitan Detroit is the construction industry, which suffers from an unemployment rate twice the national average. To show the necessity of this legislation, the committee last year used the Detroit metropolitan area as an illustration and stated: "In Detroit, Michigan, for example, 30 percent of the bricklayers are unemployed. Since that report was written, unemployment for bricklayers has grown by one-third; 40 percent of the bricklayers in the Detroit area are now unemployed."

Madam Chairman, I could go on indefinitely reciting the devastating stories of unemployment in Michigan. Approximately 55 percent of the painters are out of work in the Detroit area. Unemployed construction workers in the Detroit area now number about 50,000. Over one-third of a million Michigan workers are without jobs. The severity of the unemployment problem is without question and there is no question that we can create hundreds of thousands of additional jobs by pumping more money into this program.

Madam Chairman, I believe there is another very good reason why this program should receive substantially more funds. During the past several years, we have heard a growing demand for the Federal Government to respond more directly to the needs of State and local governments. What better way can we illustrate our willingness to fulfill this task than to provide more funds for the Public Works Employment Act?

I need not refresh anyone's memory that President Ford twice vetoed this legislation, contending that it would not be possible to put the program into operation quickly enough to make it worthwhile. The tremendous response from throughout the country indicates

that State and local officials were willing and able to move immediately. According to the Economic Development Administration, it received some 25,000 applications representing over \$20 billion in requests and a potential 1,500,000 new jobs.

Of these, only 1,988 projects could be funded, providing about 142,000 on-site jobs. The 133 communities will use their funds to build such vital facilities as police and fire stations, prisons and other detention facilities, while 473 jurisdictions received some \$400 million for essential water and sewer systems, water treatment plants and storage facilities.

Other communities will be building courthouses, municipal offices, libraries, parking structures and community centers; and still others will have new hospitals and nursing homes—all built with funds authorized by this act. But, unfortunately, some 23,000 well-conceived projects remain unfunded. These projects represent thousands of jobs and needed facilities throughout the country. In my district alone, there are still over 70 worthwhile projects awaiting funding.

At this point, I would like to voice some concerns I have heard from school officials in Michigan. During the first round of public works grants, the Economic Development Administration—EDA—proposed regulations which would have granted a lesser 3-point priority to school district applications and a larger 5-point priority to city and county governments. However, based on very clear floor debate between Mr. JOHNSON of California and Mr. WRIGHT of Texas—CONGRESSIONAL RECORD, June 23, 1976, pages 20031-32, the EDA regulations were corrected to reflect congressional intent that school districts be treated on the same basis as all other units of local government.

In light of recent past experience, Michigan educators have asked me what effect H.R. 11 would have on school districts. I have assured them that with regard to the definition of "local government" the committee bill makes no change in existing law or existing Federal procedure. Consequently, the existing statute remains unchanged and the working of it along with the legislative history established by Mr. JOHNSON and Mr. WRIGHT leaves no doubt that school districts must receive the same priority rating as other units of local government.

In concluding, I would point out that public school systems employ over half of all local public employees and account for one-half of all local expenditures. Despite the fact that schools represent one-half of all local government activity, less than 20 percent of the public works funds were awarded to elementary-secondary education. Currently, education budgets are strained and many education needs remain unmet—especially in the high unemployment areas.

Madam Chairman, at this point I would like to ask my colleagues from both sides of the aisle to give their full and enthusiastic support to the quick passage of H.R. 11. I cannot overemphasize the desperate need for refunding this program. We must, and can through this legislation, put more Americans back to

work, get our economy moving again, and provide our cities, townships, counties, and educational agencies with badly needed new facilities.

Mr. AKAKA. Madam Chairman, I rise in support of H.R. 11 as amended and I ask for unanimous consent to revise and extend my remarks.

I would like to thank Chairman Roe and the Committee on Public Works, who deserve high praise for such timely and far-reaching legislation.

I would also like to commend Mr. PARRIN MITCHELL of Maryland and his colleagues on their efforts to insure positive action on minority interests.

In doing so this bill not only strives to mobilize unemployed America, but also insures that minority groups will have the right to share in the building of America.

Mahalo.

Mr. STOKES. Madam Chairman, I rise in support of H.R. 11, the Local Public Works Capital Development and Investment Act amendments.

Madam Chairman, the rate of unemployment recently rose in 33 States, with at least 16 States either equaling or surpassing the conservative national estimate of 7.9 percent. Not insignificantly the rate of unemployment for blacks continues at twice the national average, while the unemployment rate for black youths is a startling six times the national average. All of these facts and figures point most strikingly to the need for the Congress and the President to make job creation a chief component of any economic stimulus package. This is not to suggest that public works jobs creation is a new concept. Twice during the 94th Congress, President Ford vetoed emergency public works legislation, which he characterized as "an election year pork barrel." Yet, Congress matched President's Ford's "pork barrel" rhetoric with a \$2 billion emergency public works program which coincided with the realism of an American people who wanted jobs.

Madam Chairman, though we in Congress were pleased to secure \$2 billion for the creation of emergency public works jobs, it would be an overstatement to conclude that we were satisfied. Clearly, we were not for we knew that the jobless deserved more.

Madam Chairman, the Local Public Works Capital Development and Investment Act amendments are more. They would increase from \$2 billion to \$6 billion the authorization for title I of the Public Works Employment Act of 1976. These funds would be focused as direct Federal grants for local public works projects. The result would be the creation of more than 600,000 new jobs primarily in the construction and related industries.

Not insignificantly, the funds for this legislation would be earmarked for the areas hardest hit by unemployment. Specifically, H.R. 11 would require that 70 percent of the funds appropriated would go for projects of State and local governments evidencing an unemployment rate in excess of the national average.

Moreover, H.R. 11 would delete the requirement of the 1976 act which mandated that 30 percent of total funding go to applicants whose jurisdiction has an employment rate above 6.5 percent but below the national average. Madam Chairman, in this manner the poor and those most in need would truly benefit.

H.R. 11 also helps to preserve jobs. Under the terms of its authorization there is a provision requiring the use of materials made and manufactured within the United States. This section would dissuade the use of cheaply manufactured foreign construction materials and thus maintain jobs.

Madam Chairman, as enlightened as the Local Public Works Capital Development and Investment Act amendments are, they are not perfect. Their job creation capacity not only falls short of the need, but the amendments do not address the problem of unemployment in the minority construction sector. In this sector there is currently an unemployment rate of 35 percent. In addition 20 percent of the complementary construction industries, which are owned by blacks, have failed for want of work.

To rectify the shortcomings of H.R. 11, I plan to work for an increased authorization and support the Mitchell amendment which requires that 10 percent of the articles, materials, and supplies which will be used in public works projects must be procured from minority business enterprises.

Madam Chairman and my distinguished colleagues, I urge you to join with me in support of the Local Public Works Capital Development and Investment Act amendments. The passage of this vital legislation not only represents a ray of hope for the poor and down-trodden but serves as a notice to the American people that Congress is sincere in its commitment to eradicating unemployment.

Mr. MOFFETT. Madam Chairman, this is a significant piece of legislation, a bill designed specifically to put people back to work quickly, at a time when our economy is in a dangerously weak condition and unemployment is raging at record levels.

The country needs it desperately—particularly my own part of the Nation, the hard-hit Northeast. I hope my colleagues will not permit its effect to be blunted by this amendment.

Public works projects, with good reason, are targeted to help areas hardest hit by unemployment. Therefore, to propose a uniform per-capita distribution of funds—which is what allocation based on the actual number of people unemployed in a State rather than on the percentage unemployed would do—is to undermine the purpose of a public works program.

I understand Members from States with relatively low unemployment rates have argued that this formula would provide a more equitable distribution of funds. However, the money is most urgently needed by the areas struggling with unemployment rates far above the national average, and will have its greatest impact if it is spent there.

If we are striving to ease unemployment, then it makes the most sense to spend the money in communities, like many of those in my State, struggling with unemployment rates of up to 16 percent.

The passage of the Shuster amendment would create a terrible precedent. The premise underlying this bill is to direct help to areas with severe unemployment. That implies that the hard-hit States like Connecticut, New Jersey, and Michigan will not have funds diverted to States with less severe unemployment.

Mr. LE FANTE. Madame Chairman, I rise in support of H.R. 11, the Local Public Works Capital Development and Investment Act amendments, which is aimed at creating jobs quickly in areas hardest hit by unemployment.

The public works job effort is a significant part of the Carter administration's economic recovery program. It is also of vital importance to the more than 7 million people in this country who are currently out of work. While this public works program obviously will not solve all our unemployment problems, it will give a much needed boost to our sagging economy and provide immediate relief to the construction industry, whose unemployment rate is two to three times that of the general population.

The legislation will also benefit this country's financially-pressed communities by offering Federal assistance to State and local governmental jurisdictions for construction, repair, rehabilitation or improvement of local facilities such as schools and hospitals, water and sewer systems, and police and fire protection facilities.

The committee has made some important changes in the existing public works program which I believe will provide for more equitable distribution of funds. Improvements made in the program as a result of recent experiences in allocating the \$2 billion of Federal funds last year should insure that priority will be given to those States and localities with the greatest need.

We must not lose sight of the fact that the purpose of this legislation is to provide jobs immediately in those areas that have been hardest hit by unemployment. As a representative from New Jersey, a State which consistently has an unemployment rate higher than the national average, I have seen the effects of joblessness firsthand. I firmly believe that the bulk of the aid contained in this bill should be concentrated in those areas with the highest percentage and numbers of unemployed. For that reason, I strongly support the bill as reported out by the Public Works and Transportation Committee of the House.

I was very pleased to note the committee's intention to continue holding oversight hearings as the new program regulations are developed to help achieve the objectives set by this legislation.

Madam Chairman, the local public works jobs program is a very important part of the battle against unemployment in this country. In addition, public works

projects have the beneficial effect of producing something which will last over time, rather than creating only "make-work" projects.

I urge my colleagues to pass H.R. 11 as reported out by the Public Works and Transportation Committee so we can get on with the job at hand and that is putting Americans back to work.

Mr. SISK, Madam Chairman, I am concerned that you and our colleagues be made fully aware of the implications of the drought in California and the Western States in terms of job losses as well as higher prices for consumers. As we consider the Local Improvements and Capital Investment Act, I feel a warning should be sounded against the Carter administration's announced cutbacks on water development projects. While we strive to create jobs, it seems ironic to be destroying them with the other hand.

Indeed, the implications in the water programs on job creation are stronger, in my estimation, than an equal amount of funds expended in the proposed Works Act. Consider this: When the farmer cannot get water for all his acreage, he is forced to plant only that portion for which his water will suffice. This immediately means fewer days of employment for his own help, and in the long run, fewer jobs all along the food and fiber distribution system. Now consider the other side of the coin: When crops are smaller, the supply fails to meet the active demand, and prices are forced upward accordingly.

If we want to provide a quick solution to the employment problem, we should accelerate rather than slow down our water development programs. If we want to ease inflation, we should provide our farmers in the West with plenty of irrigation water to utilize their acres to the utmost. If we want to encourage consumers to consume more, then we should provide them with more food and fiber at the lower prices that ensue from an ample supply situation.

Last year, farmers in the four counties I represent wholly or in part were able to produce some 200 commodities valued at \$1.46 billion. For the entire Central and San Joaquin Valleys the total was \$4.13 billion. Current estimates based on this year's crops show a half-billion dollar deficit from last year's values.

For the whole Central and San Joaquin Valleys, this year's crops are estimated at \$1.17 billion less than last year's. You just cannot take that much out of the total and not destroy thousands of jobs, as well as lessening the amount of food on America's tables—and at the same time raising the prices. What we need, for the sake of the jobless, the farmers, and the American consumers is a well-coordinated system for gathering, storing, and dispensing that most precious of liquids—water.

California's State administration has now recognized the need for a well-thought-out water development program and is making proposals which hopefully this body will support once the details are worked out.

Based on recent actions by individuals

in our Federal administration it appears we need to educate some of them as well, and I personally hope it does not take as long a period of time as it took to awaken our State administration. Moreover, I sincerely trust we will not have to work from a crisis situation in order to enlighten the Federal administration to the benefits of water development. What emerges must be a balanced program, and recreation and environmental concerns must be a part of that balance. But that balance need not always be titled at the expense of water for drinking, of food to eat, fiber to wear, and jobs.

Mrs. HOLT, Madame Chairman, as I look at H.R. 11, which would authorize an additional \$4 billion in public works spending, I can only shake my head and say: "Here we go again!" This will do nothing to produce durable economic growth and permanent, productive jobs.

The legislation would send a ton of additional tax dollars into the economy to create jobs that will end when the funds are exhausted, and what then? It will increase consumer spending without providing any incentive for production of goods and services to be purchased, and the inevitable result will be more inflation and worse unemployment.

Do not consider this bill in isolation. Consider it as part of the pattern we have seen so often in recent years. The congressional majority always approaches any problem by throwing money at it. We experience inflation followed by recession, then more inflationary spending followed by another recession, and so on.

When will the Congress realize that the enormous growth of government, its outrageous spending, its huge and growing debt to finance deficits, and its suffocating regulation of private industry are the real problem affecting our economy? The legislation before us today is quackery pure and simple. It does not deal with the real problem.

Yesterday, I joined with many of my colleagues in supporting a substitute budget resolution that would have allowed the only effective remedy for the condition of the economy. Our substitute to House Concurrent Resolution 110 would have set the stage for permanent tax cuts.

Permanent tax reduction for all income brackets would do much more than increase consumer purchasing power. They would stimulate investment in production and the creation of productive jobs without inflation.

But the congressional majority defeated that amendment, and today offers us legislation that is designed to build more government. It treats the patient by bleeding him some more, draining the earnings and savings of the people.

Mr. KOCH, Madam Chairman, a number of amendments have been proposed to this public works bill, and I would like to take this opportunity to explain my position on some of those that are of particular interest to me and my constituents. The most important issue that we will consider today involves the for-

mulas for allocating public works funds among those areas needing assistance in creating jobs and building public projects.

I want to clarify my position on the various amendments that would alter the funding formula that has been presented by the committee. I support the committee funding formula and I would not wish to see any changes in that formula.

The purpose of this legislation, Madam Chairman, as I understand it, is to address the severe economic conditions that many parts of the country are now facing. The committee formula would allot 35 percent of the funds to those States that had extremely high rates of unemployment. That approach would put Federal funds where they are most needed. The Shuster amendment would remove that portion of the formula altogether and I therefore oppose it. Its adoption could mean a loss of \$80 million to the State of New York—when contrasted to the current funding formula—at a time when the State is facing very difficult economic conditions. While other amendments, such as the Edgar amendment, may partially restore the lost funds, and I support them for that purpose, I am hopeful the committee bill will pass without any significant formula changes.

On another question, I am very concerned about the extreme protectionism evidenced in language now contained in this bill forbidding any materials of foreign origin from being used in projects built with money contained in this legislation. I believe that this provision is both unwise and unworkable. It is unwise, because it will invite retaliation by foreign governments who will see the United States as attempting to close its borders to foreign imports and who will slap tariffs, quotas, and other restrictions on our exported goods. The United States exported over \$100 billion in various goods and services last year and imported about the same amount. If we expect other countries to buy from us, we have to be prepared to buy some things from them.

Furthermore, there are existing regulations and Executive orders, which require foreign products purchased by the U.S. Government to have at least a 6 percent price advantage over American products, before their purchase with taxpayers dollars can be authorized. There is an even greater differential where American small business enterprise is involved. We do not need additional protectionism.

This provision, in my opinion, is unworkable, because it is impossible to prohibit all materials of foreign origin from winding up in an American building projects. I have been told that the United States now imports 89 percent of its chromium, 87 percent of its aluminum, and 21 percent of its iron ore. It is impossible to check every nail, every piece of aluminum siding, and every stainless steel beam that is used in our building projects to see whether any of it came from abroad. I would urge my colleagues

to consider carefully the implications of a provision that absolutely prohibits foreign materials from being used on public works projects. The current safeguards are adequate.

Mr. JOHNSON of California. Madam Chairman, to guard against any misunderstanding, I want to confirm that it is the intent of the committee that school districts be given the same priority as basic units of local government. I have been very pleased with the role that education has played in carrying out the purposes of this legislation. The applications submitted by public elementary and secondary education will not only fulfill the committee's objectives of providing jobs quickly and efficiently to the construction industry, but also improve the quality of life for our most precious possessions—our children. The committee intends that there be parity in the competition among local school districts and basic units of local government, and that no rating system be devised to put local school districts at any disadvantage whatsoever.

Economic problems are shared by all local governments—cities, counties and local school districts, and the committee does not intend section 2(e) to allow other units of local government to rank local school district applications. Education employs over one-half of all local government employees and accounts for one-half of local government budgetary expenditures, and the committee reaffirms its intention that education participate to the fullest.

Mr. SKUBITZ. Madam Chairman, I am as interested, as compassionate, as desirous of helping those in need as any Member of this body, but before plunging this Nation another \$4 billion in debt, I think it behooves each of us to look at the problem as it actually is.

At 4:45 p.m. today, I called Director of Labor Statistics to find whether we were talking about hunger and deprivation or maintaining the family standard of living. This is what I was told.

First, in 60 percent of the households where there is a member unemployed there is at least one pay envelope coming into the home;

Second, in 50 percent of the households there is at least one member bringing a paycheck home;

Third, of the total unemployed only 4.8 percent is the head of the household;

Fourth, of the total households where a man is considered the head of the household 4.37 percent are unemployed and where a woman is considered head of the household—7 percent.

Mr. WEISS. Madam Chairman, I would like to compliment the members of the Public Works and Transportation Committee and Chairman ROE for their work on the extension of the Local Public Works and Capital Development and Investment Act which we are about to vote on. This is an admirable, and necessary, effort to attack the root causes of the recession which has hit virtually every industry in the country but especially the construction industry which still has an unemployment rate two to three times that of the general economy. In addition to providing decent and

meaningful work, this bill will do much to revitalize the construction of needed public facilities which has been severely hampered by the effect of cuts in local budgets as we have seen in the city of New York.

Unhappily the action on the floor this afternoon undermines the basic intent of this piece of legislation. H.R. 11, as originally written, correctly attacked the unemployment situation by dealing with the rate of unemployment. The amendment offered by the gentleman from Pennsylvania (Mr. SHUSTER), which the House has just approved, will hurt those areas which have the greatest need—areas with the highest rate of unemployment. Mr. SHUSTER's amendment will have a devastating effect on public works projects in many industrial States with very high levels of unemployment. In addition to the \$93 million which my own State of New York will lose as a result of today's vote, the State of Connecticut will lose \$22 million, New Jersey, \$40 million; Rhode Island, \$12 million; and Michigan will lose \$94 million.

It is ironic that an amendment which bases the allocation formula on the number of unemployed persons as opposed to the rate of unemployment was proposed in this body and in the Senate by Members representing our sister State of Pennsylvania, a component part—a link if you will—of the Northeast-Midwest coalition. This coalition has been attempting to build painstakingly a unified effort to deal with the economic depression in our part of the country for the past year.

I would like to commend my friend and colleague, Mr. EDGAR of Pennsylvania, as well as the junior Senator from my own State, Senator DANIEL PATRICK MOYNIHAN for their heroic efforts to stymie the severe amendments of Representative SHUSTER and Senator HEINZ. The Moynihan-Edgar compromise would certainly cost New York and the other States most severely effected some public works funds but not to the extent that Heinz-Shuster will cost.

I would like to express the hope that the House-Senate conference will be able to maintain the compromise formula if it is not able to revive the original intent of the bill by replacing the original language.

Finally, I call upon my colleagues from all regions and all sections to recognize that in order to get this country working again we must deal intelligently and objectively with the problem of unemployment wherever it may exist. I realize the temptation to vote our parochial interests—each of us often succumbs—but the problem of unemployment is too severe for us to be doing so at this time. If we do not act wisely we may find ourselves looking back at this problem in a year only to find that it is still crippling our national economy because we voted self-interest instead of national concern.

Mr. LUNDINE. Madam Chairman, it is with deep reluctance that I am voting against the Local Public Works Capital Development and Investment Act amendments. I was elected on a platform of full employment and I intend to be

consistent to the pledge to place employment opportunity at the very highest priority of my own objectives here in Congress. But I was also elected as an aggressive advocate for a region which has long been ignored and which has enormous potential. I would be unfaithful to my commitment to that region to approve a public works program which discriminates against it simply because it is supposed to be good macroeconomic strategy.

I believe in public works as a technique to stimulate economic recovery when the construction sector is seriously lagging and great numbers of building tradesmen are unemployed. However, to be effective such a program must direct the effort fairly to the places where unemployment exists. My evaluation of the previous public works program is that it tended to exclude areas of high unemployment while at the same time funding those much less needy. I commented on the EDA regulations when issued last fall and those comments were ignored. The result was exactly as I had anticipated, with rural areas of high unemployment almost totally excluded from the program.

Again, during committee consideration of the present public works funding, I testified constructively regarding the equity of the program. While some changes were made in the priorities for project approval, these changes only serve to reinforce the bias against smaller cities and rural areas and to insure that they will be effectively excluded whether they have high unemployment or not.

Not only does the program continue discrimination against rural areas, but it does not give a more active role to regional planning agencies. Congress has not indicated any way in which the merits of individual projects may be assessed in conjunction with the unemployment and the other needs of an area. We have limited resources with which to construct projects with full Federal funding. In allocating those limited resources, it would seem logical to utilize them in the projects which would give us the best investment in our economic infrastructure.

In spite of my testimony and that of other concerned Congressmen, neither the House nor the Senate versions of the public works bill indicates that there would be evaluation of these projects on their merits. Although the committee bill does permit local applicants to rank their own projects, this is of no help to areas like mine in which it is unlikely that any significant number of applicants will be able to produce more than one project application. Only the overall regional planning agencies in such areas have both the professional capability and the overall viewpoint which would enable them to rank projects constructively. Exclusion of those agencies from the planning process, even though their review could have been completed in a very short time, simply eliminates any potential for real local input from rural regions.

Madam Chairman, I have thought long and hard about this vote. I was an enthusiastic supporter of the Public Works

Jobs Act which passed this body last year, and I would have liked to vote for this bill which has been recommended by so many of my colleagues and friends. But I have finally concluded that it is only by taking this position and by drawing attention to the inequities which this bill contains, that we will finally see Federal legislation which does take the needs of rural America into account.

Mr. ASHLEY. Madam Chairman, I am happy to announce my support of H.R. 11, the proposed amendment to and extension of the Local Public Works Capital Development and Investment Act of 1976.

Through exhaustive hearings and the diligent efforts of Chairman ROZ of the Economic Development Subcommittee, Chairman JOHNSON of the parent Committee on Public Works and Transportation, and other members and staff of that committee, many of the problem areas of the 1976 legislation have been eliminated or provided for. It is anticipated that the corrective measures taken by the subcommittee in carefully drafting this legislation will reduce sharply, if not do away with the misallocation of title I moneys that occurred during the last round of allocations in December of 1976.

My home city—Toledo, Ohio—was written out of the allocations under the 1976 act. Written out along with Louisville, Seattle, Phoenix, Omaha, Tulsa, Akron, and Yonkers, largely because of anomalies in the statistical underpinnings of title I eligibility in the 1976 act. So you can be assured that I have examined this bill with an eye to ensuring that all reasonable legislative steps have been taken to include those areas and units of local government deserving of more consideration last year, but excluded because of defects in the administration of the law.

I am pleased to report that the operative principle of this bill—the targeting of \$4 billion into areas of highest unemployment and greatest need—is reflected in the mechanism for implementing the funding itself. It is provided, for example, that the backlog of 22,000 applications left over after the \$2 billion was used up under the 1976 legislation, will be acted upon before any new applications are accepted by the Economic Development Administration. While this will not go so far as to result in preferential treatment for areas excluded in the last round of allocations, it will insure a careful review of much-needed projects that went without funding.

One of the most important remedial aspects of H.R. 11 is the requirement that governmental instrumentalities confine themselves to their political boundaries in the gathering of unemployment and related economic data, as justification for their inclusion in the title I funding. The gerrymandering of statistics that was so prevalent during the last round of allocations, and which led, as many of you are aware, to results that would be laughable were it not for the economic hardship they worked on communities such as Toledo. Hopefully, there will be no public works windfalls under H.R. 11.

Also, the bill provides that the average unemployment statistics be stretched

over the previous 12-month period, rather than for the preceding quarter. Clearly this will give a truer picture of the economic situation in a given community or governmental area and inevitably lead to more uniform and consistent allocation of available moneys.

Finally, as it relates to the question of allocation of these moneys on the basis of need, I applaud the committee's decision to eliminate the 70-30 percent ratio that existed under the former bill. As you are aware, this required that 70 percent of the available moneys had to go to those areas which exceeded the national average on unemployment, relegating 30 percent for those areas in excess of 6.5 percent unemployment, but below the national average. This requirement under the 1976 bill, when coupled with the provisions which permitted the gerrymandering of unemployment data, had the net effect of favoring suburbs, exurbs, and counties at the expense of urban areas which contained pockets of unemployment well in excess of the national average, notwithstanding an overall rate just below that average.

In sum, the bill as reported by the Public Works and Transportation Committee provides for a much fairer, more uniform and consistent allocation of title I moneys under the Public Works bill. There is every reason to anticipate that the goals of this bill will be realized, because of the more effective allocation mechanism built in. I am happy to support its passage.

Mr. CAVANAUGH. Madam Chairman, H.R. 11 seeks to increase the authorization for the Local Public Works Capital Development Investment Act of 1976 by an additional \$4 billion. The additional funds will only be made available to fund applications which were submitted to the Economic Development Administration during the first round of competition last fall. At that time EDA received over 22,000 applications valuing in excess of \$24 billion.

Section 2(b) provides that 2½ percent of all funds will be set aside for eligible Indian tribes. I believe that such a set-aside is justified by the existence of high unemployment on western Indian reservations and because during the first round Indian nations successfully siphoned off a significant amount of money which would otherwise have gone to units of local government within the States. All eligible Indian tribes will now compete against each other for the available \$100 million in the set-aside. The bill before us also, however, provides that any minimum State that has no eligible Indian tribes within its borders will receive an additional one-quarter of 1 percent of total funds available or in this case \$10 million. As I have previously described, my State of Nebraska, therefore, will not be able to receive as much funds as its neighbor State, Arkansas, solely because Arkansas is a minimum State with no Indian tribes within its borders. This results from the fact that there is only one eligible Indian application that could be funding pending before the Economic Development Administration from Nebraska. That applica-

tion has a value of \$910,000. Therefore, we have a situation where Nebraska can be eligible to receive a maximum of \$20,910,000 because it is a minimum State with an Indian tribe within its borders and the State of Arkansas will be eligible to receive \$30 million because it is a minimum State and solely because it has no eligible Indian tribes within its borders. There are several other States which are in the same disadvantaged situation as Nebraska.

Below is information relative to the situation in which each of the several States will find itself as a result of eventual congressional action. Included in the data below is a breakdown of allocation and unemployment rate for the first round of the Local Public Works Capital Development Investment Act funding as well as information relative to unemployment which will be used in the second round of funding.

Table 1 presents allocation and unemployment rate for round one as well as the 12-month unemployment average that will be used during round two, the number of Indian applications pending before the Economic Administration from each State, the total value of those applications, as well as, whether or not the State will receive the minimum one-half of 1 percent or less than \$30 million. Also indicated on the table are the six States and territories that will be eligible to receive the additional \$10 million by virtue of their lack of Indian tribes. My office is prepared to offer specific information relative to pending Indian applications for all States.

Table 2 presents the preliminary allocations based on both the proposed Senate allocation formula and the formula which is included in H.R. 11. I suggest that each Member examine these tables and determine for yourself whether or not your State will benefit or lose vis-a-vis section 2(a) of H.R. 11.

Also included below is an analysis of points for consideration of the affects of the Indian set aside and the one-half of 1 percent versus the three-quarter of 1 percent minimum State allocations on round two. This discussion is based on round one unemployment data and can be quickly updated by referring to tables 1 and 2. It should be kept in mind that Indians in Maine and North Dakota received a disproportionate share of funds in the first round because they greatly exceeded benchmark levels and will most likely not be funded further. To cite another example under the Senate formula the State of Iowa will be considered a minimum State but it has no applications pending and therefore would be eligible only for \$20 million. Under the House formula Iowa based on its volume of unemployment would be eligible for \$25.7 million but since it has no applications pending it would not be eligible for the additional quarter of 1 percent. There are many States that fall into many categories.

Table 1 was compiled from data provided by the Economic Development Administration and table 2 is part of their own computer run.

The material follows:

	Round I data LPWCDI		Round II data			Proposed formula <sup>1</sup>			Round I data LPWCDI		Round II data			Proposed formula <sup>1</sup>	
	Allocation (mil- lions)	Unem- ployment rate	Unem- ployment rate 12 mo. average	Indian applica- tions pending	Amount (mil- lions)	House	Senate Adm.		Allocation (mil- lions)	Unem- ployment rate	Unem- ployment rate 12 mo. average	Indian applica- tions pending	Amount (mil- lions)	House	Senate Adm.
Alabama	\$18.4	7.0	6.8												
Alaska	10.0	9.0	8.0			X	X								
Arizona	13.2	7.7	9.8	14	\$22.1										
Arkansas <sup>2</sup>	10.0	5.9	7.1				X								
California	250.0	9.6	9.2	17	16.3										
Colorado	12.6	5.9	5.9	3	3.8		X								
Connecticut	48.4	9.4	9.5				X								
Delaware <sup>2</sup>	10.0	7.7	8.9			X	X								
Florida	136.6	10.1	9.0	2	2.3										
Georgia	24.8	6.6	8.1				X								
Hawaii <sup>2</sup>	10.0	8.6	9.8			X	X								
Idaho	10.0	6.1	5.7			X	X								
Illinois	64.1	7.0	6.5				X								
Indiana	22.8	5.3	6.1				X								
Iowa	11.8	4.8	4.0			X	X								
Kansas	10.0	4.0	4.2			X	X								
Kentucky	15.2	5.9	5.6				X								
Louisiana	25.4	7.9	6.8	1	.22		X								
Maine	10.0	7.9	8.9	23	9.2	X	X								
Maryland	20.1	6.0	6.8				X								
Massachusetts	52.3	8.1	9.5				X								
Michigan	158.3	10.1	9.4	1	.7		X								
Minnesota	16.8	5.0	5.9	12	11.4		X								
Mississippi	10.0	5.9	6.6				X								
Missouri	19.4	5.0	6.2				X								
Montana	10.0	6.8	6.1	5	3.6	X	X								
Nebraska	10.0	4.8	3.3	1	.9	X	X								
Nevada	10.0	7.9	9.0	6	20.5		X								
New Hampshire <sup>2</sup>	10.0	4.4	6.4				X								
New Jersey	100.0	9.2	10.4				X								
New Mexico	10.0	6.6	9.1	16	9.8		X								
New York	232.9	9.2	10.3	7	3.3		X								
North Carolina	28.0	6.2	6.2	1	1.7		X								
North Dakota	10.0	4.6	3.6	3	5.7		X								
Ohio	59.5	7.0	7.8				X								
Oklahoma	16.4	7.6	5.6	28	16.8		X								
Oregon	29.4	8.9	9.5	2	1.7		X								
Pennsylvania	83.3	7.8	7.9				X								
Rhode Island	15.4	10.0	8.1				X								
South Carolina	13.4	6.2	6.9				X								
South Dakota	10.0	4.2	3.4	14	21.7		X								
Tennessee	22.5	6.8	6.0				X								
Texas	55.5	5.7	5.7				X								
Utah	10.0	5.9	5.7	1	.8		X								
Vermont	10.0	9.0	8.7				X								
Virginia	21.8	5.3	5.9				X								
Washington	40.1	8.7	8.7	31	39.7		X								
West Virginia <sup>2</sup>	10.0	5.8	7.5				X								
Wisconsin	21.7	5.6	5.6	8	7.5		X								
Wyoming	10.0	3.4	4.1	1	1.7		X								
Puerto Rico	127.4	19.0					X								
District of Columbia <sup>2</sup>	10.0	7.6	9.1				X								
Guam, Virgin Islands, Samoa <sup>2</sup>	10.0						X								

<sup>1</sup> A minimum State or receiving less than \$30,000,000 (¾ of 1 percent).

<sup>2</sup> Minimum States with no eligible Indian tribes will receive the additional ¼ of 1 percent equal to \$10,000,000.

TABLE II.—ROUND II STATE ALLOCATIONS BASED ON ADM./SENATE AND HOUSE FORMULAS

	Adm./Senate	H.R. 11	Difference	Percent		Adm./Senate	H.R. 11	Difference	Percent
Alabama	34,457,968	48,649,027	14,191,059	41.2	Montana	20,000,000	20,000,000	0	0
Alaska	20,000,000	20,000,000	0	0	Nebraska	20,000,000	20,000,000	0	0
Arizona	55,936,327	45,243,595	-10,692,732	-19.1	Nevada	20,000,000	20,000,000	0	0
Arkansas	23,561,291	30,162,397	6,601,106	28.0	New Hampshire	20,000,000	20,000,000	0	0
California	500,000,000	432,489,850	-67,510,150	-13.5	New Jersey	219,079,820	167,839,143	-51,240,677	-23.4
Colorado	21,717,081	34,540,809	12,823,728	59.0	New Mexico	23,931,958	20,919,082	-3,012,876	-12.6
Connecticut	81,036,898	67,622,148	-13,414,750	-16.6	New York	500,000,000	386,273,275	-113,726,725	-22.7
Delaware	20,000,000	20,000,000	0	0	North Carolina	48,634,026	77,351,953	28,717,927	59.0
District of Columbia	20,000,000	20,000,000	0	0	North Dakota	20,000,000	20,000,000	0	0
Florida	172,596,504	152,757,945	-19,838,559	-11.5	Ohio	166,843,705	179,514,910	12,671,205	7.6
Georgia	85,781,803	87,081,758	1,299,955	1.5	Oklahoma	20,000,000	31,621,868	11,621,868	58.1
Hawaii	23,461,431	20,000,000	-3,461,431	-14.8	Oregon	59,465,856	49,622,008	-9,843,848	-16.6
Idaho	20,000,000	20,000,000	0	0	Pennsylvania	187,328,797	197,515,050	10,186,253	5.4
Illinois	101,550,293	161,514,770	59,964,477	59.0	Rhode Island	20,000,000	20,000,000	0	0
Indiana	45,269,408	72,000,560	26,731,152	59.0	South Carolina	31,036,421	42,324,654	11,288,233	36.4
Iowa	20,000,000	25,788,984	5,788,984	28.9	South Dakota	20,000,000	20,000,000	0	0
Kansas	20,000,000	22,378,552	2,378,552	11.9	Tennessee	33,646,181	53,513,930	19,867,749	59.0
Kentucky	24,775,825	39,405,712	14,629,887	59.0	Texas	97,268,052	154,703,906	57,435,854	59.0
Louisiana	34,803,472	49,135,517	14,332,045	41.2	Utah	20,000,000	20,000,000	0	0
Maine	22,793,854	20,432,591	-2,361,263	-10.4	Vermont	20,000,000	20,000,000	0	0
Maryland	44,105,670	62,270,755	18,165,085	41.2	Virginia	41,598,915	66,162,677	24,563,762	59.0
Massachusetts	153,337,741	127,946,941	-25,390,800	-16.6	Washington	72,314,210	66,649,167	-5,665,043	-7.8
Michigan	215,664,877	181,947,361	-33,717,516	-15.6	West Virginia	21,570,513	24,811,004	3,240,491	15.0
Minnesota	33,646,181	53,513,930	19,867,749	59.0	Wisconsin	37,316,674	59,351,813	22,035,139	59.0
Mississippi	20,000,000	30,162,397	10,162,397	50.8	Wyoming	20,000,000	20,000,000	0	0
Missouri	40,681,292	64,703,206	24,021,914	59.0	Puerto Rico	159,757,803	87,081,758	-72,676,045	-45.5

Senate/adm. formula

Sixty-five percent distributed among all states according to their number of unemployed as compared to unemployment of all states.

Thirty-five percent distributed among states whose unemployment is above 6.5 percent in proportion to the extent that they rate.

House formula

One hundred percent distributed among all states according to their proportion of numbers of unemployed as compared to all states.

Please note

Preliminary allocation—based upon Bureau of Labor Statistics "benchmark" data for calendar year 1976, published February 23, 1977.

The preliminary allocation assumes an appropriation of \$4 billion in FY 1977. Funds for Indians (\$100 M), Trust Territories (\$20 M), procedural corrections (\$90 M), and administrative costs (\$15 M) have been deducted leaving a balance of \$3.775 billion for allocation under the respective formulas.

BASED ON ROUND I UNEMPLOYMENT DATA

Points for consideration of effects of Indian set-aside and ½ of 1 percent versus ¾ of 1 percent Minimum State Allocation on Round II of LPW Program.

Assumptions

a) Using same State allocations formula as in Round I

b) Using a benchmark system for project selections similar to Round I for choosing which Indian projects to fund.

1. Seven States with no Indian tribe would receive a minimum allocation of ¾ of 1 percent: Arkansas, Delaware, D.C., Hawaii, West Virginia, New Hampshire, Vermont.

2. Four States which would receive a minimum allocation of ½ of 1 percent and have a number of Indian tribes and pending applications and are likely to receive additional funds from the Indian set-aside.

[Dollar amounts in thousands]

State	Round I		Remaining		Congressional district
	Number	Amount	Number	Amount	
Nevada	5	\$1,584	6	\$2,059	1
New Mexico	4	2,119	16	9,827	1 and 2
South Dakota	4	7,165	14	21,797	1 and 2
Alaska <sup>1</sup>					

<sup>1</sup> Alaska Native villages as well as Indian tribes should be considered. Precise information is not presently available on which communities are considered "Indian." However, we do know

that a number were funded under round I and would also be funded under round II.

*Implication*

The trade offs between the States in Category 1 & 2 seem fair.

3. States which would receive a minimum allocation of 1/2 of 1 percent because they contain an Indian tribe, but which would not receive any additional funds from the set aside since all Indian applications submitted were previously selected:

	No.	\$(000)
Idaho	2	1,693
Kansas	1	378
Mississippi	1	577

Similarly, Iowa, although slightly above "minimum" state, has no more Indian applications.

*Implication*

These states would receive less funds than those in the first category. There is no

[Dollar amounts in thousands]

State	Round I		Remaining		Congressional district
	Number	Amount	Number	Amount	
Maine	3	\$995	23	\$9,243	2
Montana	6	4,865	5	3,555	1 and 2
Nebraska	2	2,304	1	911	1
North Dakota	4	6,936	3	5,755	1 and 2
Utah	2	2,368	1	837	1
Wyoming	5	2,861	1	1,778	1

*Implication*

Similar, to the third category, these minimum States would also receive less funding than those in the first category.

5. *Arizona & Colorado*—Although just above being "minimal States", Arizona would be similar to those States in the second category and Colorado would be similar to those in the fourth category.

Mr. HAMMERSCHMIDT. Madam Chairman, I have no further requests for time.

Mr. ROE. Madam Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the rule, all time for general debate having expired, the Clerk will now read the committee amendment in the nature of a substitute recommended by the Committee on Public Works and Transportation now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

H.R. 11

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 106 of the Local Public Works Capital Development and Investment Act of 1976 is amended by adding at the end thereof the following new subsections:

"(e) No part of the construction (including demolition and other site preparation activities), renovation, repair, or other improvement of any public works project for which a grant is made under this Act after the date of enactment of this subsection shall be performed directly by any department, agency, or instrumentality of any State or local government. Construction of each such project shall be performed by contract awarded by competitive bidding, unless the Secretary shall affirmatively find that, under the circumstances relating to such project, some other method is in the public interest. Contracts for the construction of each project shall be awarded only on the basis of the lowest responsive bid submitted by a bidder meeting established criteria of responsibility. No requirement or obligation shall be imposed as a condition precedent to the award of a contract to such bidder for a project, or to the Secretary's concurrence in the award of a contract to such bidder, unless such requirement or obligation is otherwise lawful and is specifically set forth in the advertised specifications.

"(f) Notwithstanding any other provision of law, no grant shall be made under this Act for any local public works project unless only such unmanufactured article, materials, and supplies as have been mined or

produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, and supplies mined, produced, or manufactured, as the case may be, in the United States, will be used in such project."

Sec. 2. (a) Subsection (a) of section 108 of the Local Public Works Capital Development and Investment Act of 1976 (Public Law 94-369) is amended by inserting immediately after "any one State" the following: "unless a State has no Indian tribe in such State in which case the minimum percentage to be granted within such State shall be three-fourths of 1 per centum".

(b) Such subsection (a) of section 108 is further amended by adding at the end thereof of the following new sentence: "Notwithstanding any other provision of this Act, not more than 2 1/2 per centum of all amounts appropriated to carry out this title shall be granted to Indian tribes under this Act for local public works projects."

(c) Subsection (b) of such section 108 is amended by adding at the end thereof the following new sentence: "In making grants for projects for construction, renovation, repair or other improvement of buildings for which application is made after the date of enactment of this sentence, the Secretary shall also give priority and preference as between such building projects to those projects which will result in conserving energy, including but not limited to, projects to redesign and retrofit existing public facilities for energy conservation purposes."

(d) The first sentence of subsection (c) of such section 108 is amended by striking out "three most recent consecutive months" each place it appears and inserting in lieu thereof "twelve most recent consecutive months".

(e) Subsection (d) of such section 108 is amended to read as follows:

"(d) Whenever a State or local government submits applications for grants under this Act for two or more projects such State or local government shall submit as part of such applications its priority for each such project."

(f) Subsection (f) of such section 108 is hereby repealed.

(g) Subsection (g) of such section 108 is amended by inserting "for improving socioeconomic conditions" immediately before the period.

Sec. 3. The first sentence of section 109 of the Local Public Works Capital Development and Investment Act of 1976 is amended by striking out "by contractors or subcontractors".

Sec. 4. Section 111 of the Local Public Works Capital Development and Investment Act of 1976 (Public Law 94-369) is amended to read as follows:

"Sec. 111. Notwithstanding any other pro-

reasonable justification for these different funding levels.

4. Six States which would receive a minimum allocation of 1/2 of 1 percent where there are Indian applications remaining, but because of the disproportionately high level of Indian funding under the first round, would probably receive little or no funds from the Round II set-aside.

vision of this Act, the Secretary is authorized to make a grant for a public works project under this Act to any State or local government whose application for a grant for such project under this Act made after the date of enactment of this Act was not received, was not considered, or was rejected, if, as determined by the Secretary, such application was not received, was not considered, or was rejected solely because of an error by an officer or employee of the United States. Not to exceed 1 1/2 per centum of the amount authorized by section 113 of this Act may be expended to carry out this section.

"Sec. 112. Whenever a State certifies to the Secretary that such State has standards for construction of jails, and that all such standards will be met in connection with any grant made under this Act for a project relating to jails, such State standards shall be the sole standards criteria governing approval of such jails for the purpose of any grant made under this Act.

"Sec. 113. There is authorized to be appropriated not to exceed \$6,000,000,000 to carry out this Act."

Sec. 5. The Secretary of Agriculture and the Secretary of the Interior shall immediately initiate the construction of those Federal public works projects (A) which are the responsibility of their respective departments, (B) which have been authorized, and (C) which can be commenced within 60 days of the date of enactment of this section and completed no later than the 180th day after commencement of construction. No funds authorized by section 113 of the Local Public Works Capital Development and Investment Act of 1976 (Public Law 94-369) may be used to carry out this section.

Mr. ROE (during the reading). Madam Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

AMENDMENT OFFERED BY MR. GARY A. MYERS

Mr. GARY A. MYERS. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GARY A. MYERS: On page 3, after line 7, add the following new subsection:

"(g) No grant shall be made under this Act except for those projects for which the applicant has given satisfactory assurances, in such manner and form as may be required by the Secretary and in accordance with such terms and conditions as the Secretary may prescribe, that, the project can be completed

not later than the last day of the 18th month which begins after the first day on which on-site labor is begun on such project."

Mr. GARY A. MYERS. Madam Chairman, the reason I have offered this amendment is because one of the criticisms leveled at legislation such as this, public works types of legislation, is that it tends to stretch the expenses out over a number of years and, therefore, does not address the near term unemployment problem and is not a good tool to use against cyclical unemployment.

In support of that argument, I refer to a piece of legislation that was on the floor yesterday, that of the third budget resolution. If the Members will refer to page 86 of the Budget Committee's report yesterday, they will see a paragraph which begins in this way:

Another major drawback in this program—

And they are referring to the public works bill we are now addressing—

is the delayed spendout. Even some of the most optimistic estimates of spendout rates from public works projects show large unexpended balances remaining 18 to 24 months after the enactment of the program. . . .

It is this concern that I have about this legislation, and I think that we should do everything possible to reduce that potential hazard.

I questioned numerous witnesses during the hearings who had been dealing with the projects from all government levels. None of them objected to the provision of a back-end date whereby they should make assurances that projects would fit within an 18-month timeframe. There seemed to be no problem whatsoever. For that reason, if in fact they were presenting their side of the story accurately, I think that we should give to EDA the authority to pass over those projects which obviously cannot be completed within 18 months of the starting date.

The intent of this amendment is certainly not to have EDA exclude projects which may take 19 months if a certain paint is not available or a certain door is not available. But on the basis of projections at the time the project is approved by EDA, if in fact there is an obvious delay period which could go into 2 or 3 years, I think that they should have this authority. If they do not have the authority to do that, I am concerned that what we are going to be faced with is just the fact that if a certain number comes up as an evaluation from the computer on a municipality project, it is going to have to be funded regardless of what the construction projection might be. It is for this reason I offer this amendment. It is not a complex amendment. I think it strengthens the legislation. I did offer it in committee and it was discussed thoroughly there. I am not sure that the Members fully assessed its intent. It is not a matter of whether or not a small piece of construction inadvertently becomes unavailable.

The decision would have to be made at the time that EDA acts on the application. So therefore if there is approval given to a project which seems to fit within the 18-month range but which

due to some construction delay stretches into some time frame beyond that, they would be able still to get their funding. It is simply to be used as a tool at the time grants are made. If we do intend it to be a short-term, local public works project, this particular amendment would strengthen this bill.

Mr. GLICKMAN. Madam Chairman, will the gentleman yield?

Mr. GARY A. MYERS. I yield to the gentleman from Kansas.

Mr. GLICKMAN. What concerns me—and the proposal has merit—is if we have a difficulty in the project beyond the control of the contractor, perhaps an act of God or something else, does this proposal take account of that situation?

Mr. GARY A. MYERS. The proposal simply says at the time EDA passes on the applications, they have to have reasonable assurances the project can be completed within an 18-month period. If the construction is in fact delayed because of the example the gentleman has given, there will be no provision whereby EDA can withdraw funding. It is simply applicable at the point of approving the projects.

I think we would be in a very weak position if a locality came in with a 5-year program and EDA had no authority to disapprove that project.

Mr. GLICKMAN. How do the contractors or localities feel about this limitation?

Mr. GARY A. MYERS. Every witness I asked about this problem, I gave the option of 18 months or more, and they all said they could live with the 18 months.

Mr. GLICKMAN. I thank the gentleman.

Mr. ROE. Madam Chairman, I raise in opposition to the amendment.

I sat in on every single 6 days of hearings that lasted 8 or 10 hours a day on this bill. What we are trying to do here is to get some self-determination back to the communities. One of the major problems under the original interpretation of the EDA Act was based on the point of view that there were too many of these floating-around codicils and opinions that regulations could be drawn around. We have weather conditions and potential strikes and things of that nature which have to be considered, and I do not think we should be putting further constraints on the applications and offering more language that may deter a community's particular program.

It seems to me if a project is going to last a little bit longer because they are waiting for some internal material to finish that program or they have to wait for something to be shipped from another section of the country, that should not be a reason to disapprove a project.

I do not think that constraint is necessary to add to this bill. Therefore I rise in very strong opposition to this amendment.

Mr. HAMMERSCHMIDT. Madam Chairman, I rise in opposition to the amendment.

Madam Chairman, while I commend the gentleman from Pennsylvania for his very diligent work on the committee

and his constructive help, I must be in opposition to this amendment which would prohibit project approval for any projects that would take longer than 18 months to complete. Such a restriction would severely limit the kind of project that would be eligible in Northern States due to the shortness of the construction season which would ultimately affect the time required for project completion. The 18-month completion requirement may be met in many cases. It is expected that most projects under the first round of funding will require 18 to 24 months for completion. However, it is restrictive and unwise to legislatively impose such a restriction. I therefore urge the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. GARY A. MYERS).

The amendment was rejected.

AMENDMENT OFFERED BY MR. COCHRAN OF MISSISSIPPI

Mr. COCHRAN of Mississippi. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN of Mississippi: Page 3, strike out lines 8 through 20, inclusive, and insert in lieu thereof the following:

Sec. 2. (a) Subsection (a) of section 108 of the Local Public Works Capital Development and Investment Act of 1976 (Public Law 94-369) is amended by—

(1) inserting "(1)" immediately after "(a)";

(2) inserting immediately after "any one State" the following: "unless a State has no Indian tribe in such State in which case the minimum percentage to be granted within such State shall be three-fourths of 1 per centum";

(3) adding at the end of such paragraph (1) the following new sentence: "Notwithstanding any other provision of this Act, not more than 2½ per centum of all amounts appropriated to carry out this title shall be granted to Indian tribes under this Act for local public works projects."; and

(4) adding at the end of such subsection the following new paragraph (2):

"(2) The Secretary shall not approve any application for a grant in a State which would result in the payment to the recipient of such grant of an amount in excess of 10 per centum of the total amount available for grants under this Act in such State."

Reletter succeeding subsections and references thereto accordingly.

Mr. COCHRAN of Mississippi (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COCHRAN of Mississippi. Madam Chairman, the purpose of this amendment is to add a new subsection to this section of the bill which would provide, and I will read the pertinent part as follows:

(2) The Secretary shall not approve any application for a grant in a State which would result in the payment to the recipient of such grant of an amount in excess of 10 per centum of the total amount available for grants under this Act in such State.

Madam Chairman, the purpose of this amendment is to spell out in clear language that the Administrator can understand that there shall, in fact, be no undue concentration of funds within any State to which funds have been allocated under this act. As an example of what can happen if this language is not adopted and included in the bill, I would like to cite an incident which occurred in my State of Mississippi during the first round of the funding under the \$2 billion phase of this program last year. We were very fortunate in not having a very high rate of unemployment, nor a large number of unemployed persons relative to the other States of this great Nation; so we were allocated the minimum amount of \$10 million. We were not alone in this position, because there were some 21 other States and territories which also received the minimum funding under the bill. Our local EDA representative, presumably at the suggestion and request of Washington officials in the Department, had suggested to our towns and communities that they keep their requests for funding at about the level of \$250,000 or \$300,000, so that a large benefit could be provided in a widespread way across the State and there would be no undue concentration of funds in any one county or town. Irrespective of that suggestion and the understanding which was hoped to be conveyed to our towns and communities throughout the State, we had one town which submitted an application for \$4.9 million. This town has fewer than 3,000 people who are residents of the town, but this application for funding of a municipal complex and some streets and a maintenance garage for the town was approved. The net effect was that 49 percent of the State's allocation went to one small town.

Madam Chairman, I am not suggesting that small town did not need those funds for those purposes. The point is that we had many towns and counties throughout the State of Mississippi which had applications and which had as high a rate of unemployment, and as many unemployed persons in it as did the town which received virtually half of the available funds.

I want to congratulate, Madam Chairman, since I have the time, the chairman and the ranking Member of the Economic Development Subcommittee for permitting Members to come before the committee and talk about experiences under this program, so that we could learn from them. They did an important job in giving us this opportunity. Many of us took advantage of it; but I cannot find in this bill. Madam Chairman, any language that has changed since the act was adopted last year which would actually prevent the same situation that occurred in Mississippi from occurring in about 21 other States under this next round of funding. We do have language in the bill which says there shall be no undue concentration of funds, but that did not seem to apply in this legislation to Mississippi.

There is also, as we are aware during general debate here between the gentleman from Connecticut directing a ques-

tion to the chairman of the subcommittee, an effort that was made by the Administrator to establish benchmarks to try to help prevent undue concentration of funds and we learned from that that it did not work. It did not, in fact, prevent this undue concentration of funds; so I suggest that the only way to really keep this from happening is to adopt this amendment, so that we write into the bill clearly and concisely what we mean by undue concentration of funds.

Those of us from States such as Kansas, Arizona, Iowa, Mississippi, South Carolina, and many others, may be interested to know about this experience, so that we can help to avoid it in the future.

Mr. YOUNG of Florida, Madam Chairman, I move to strike the last word. I take this time to inquire of the sponsor of the amendment, if he would join me in a colloquy, if the gentleman would tell us whether or not this amendment would apply to all 50 States, or does it apply only to the minimum-funded States.

Mr. COCHRAN of Mississippi. If the gentleman would yield, it is my intent for the amendment to be applicable in all the States that receive allocations under the bill.

Mr. YOUNG of Florida. I understand the gentleman's intent. Is the gentleman convinced that the way the amendment is presented, that it will apply to all 50 States?

Mr. COCHRAN of Mississippi. That is my intent. It may be that there would be other opinions. There is no language that is restrictive in the amendment itself which would make it applicable only to the hold-harmless States or to those States which would be entitled to the minimum allocations under the bill.

It provides that no grant could be approved in a State where the grant would exceed 10 percent of the total amount available for grants under this act in such State.

Mr. YOUNG of Florida. I thank the gentleman for his information. I wonder if the ranking minority member would be willing to respond to that question, as to how he sees this amendment.

Mr. HAMMERSCHMIDT. Madam Chairman, I oppose the amendment. I see that it has been drafted to apply to all States, as I understand it, rather than just to those States that receive minimum funding.

Mr. YOUNG of Florida. I thank the gentleman.

Mr. ROE, Madam Chairman, I move to strike the last word, and I rise in opposition to the amendment.

I have the greatest regard and respect for my colleague on our committee, the gentleman from Mississippi (Mr. COCHRAN). I think that the presentation he made in reference to a circumstance that had evolved in Mississippi was one of the four or five or six horror stories, so to speak, that were presented to our committee during the long and lengthy hearings we had.

I do call to the attention of the committee seated here, however, that if we place a ceiling—in effect, a percentile—on the use of the funds in those respec-

tive States, many of the applications that would be submitted which would be more than a million dollars, which might be \$1,100,000, would be precluded it from being eligible. What the Committee on Public Works has tried to do is to solve that problem by eliminating the gerrymandering situation in States, and the logarithmic program devised by EDA for determining levels of unemployment in urban areas. So, this circumstance the gentleman from Mississippi refers to could not occur again. I have the greatest respect for what he is attempting to achieve, but I think it would be a terrible mistake if the committee should adopt this because it would simply denigrate the whole program and take away the type of priority the cities and counties need.

Therefore, I respectfully urge my colleagues to vote down this amendment.

Mr. HAMMERSCHMIDT. Madam Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Madam Chairman, I rise in opposition to the amendment offered by the gentleman from Mississippi, which would impose a limitation on the size of any project approved under this act to 10 percent of that allocation. Again, Madam Chairman, it would be unwise to place a restriction of this type on project selection since there may be a project of good merit which may be rejected because of such a restriction. In those States receiving the minimum allocation there would be significant reduction in the number of eligible projects for the next round of funding if this imposition were placed on project selection. I therefore urge that this amendment be rejected.

Mr. GARY A. MYERS. Madam Chairman, I move to strike the last word, and I rise in support of the amendment.

Madam Chairman, I would like to point out that there is one other benefit that is subtly contained in the amendment. That is, that most of us would agree that as the projects become larger and larger in dollar figures, the likelihood of them being strung out over an undesirable period of time increases, so that one of the subtle benefits of the gentleman's amendment simply is that it will preclude a number of larger projects which would have a tendency not to assist with short-term unemployment.

Therefore, I support the amendment. I think we would be dealing with projects which are perhaps just as meaningful and will get people to work more rapidly and efficiently.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi (Mr. COCHRAN).

The amendment was rejected.

AMENDMENT OFFERED BY MR. GARY A. MYERS

Mr. GARY A. MYERS. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GARY A. MYERS: On page 4, after line 16, add the following new subsection:

"(f) Subsection (e) of such section 108

is hereby repealed." Subsequent subsections to be designated accordingly.

Mr. GARY A. MYERS. Madam Chairman, I would like to say at the outset that I heartily support the idea of using public works as an approach to dealing with our immediate unemployment problems, and I think this bill can do this. However, I do feel that there are some refinements which should be made.

We are well aware of the fact that many people were frustrated with the outcome of the \$2 billion bill which we passed last year. One of the frustrating issues was that the craft of grantsmanship was well rewarded in that bill. In other words, those communities which could afford it, and were aware of the individuals who had knowledge enough of the field, could manipulate the bill to their favor. I think the element of fairness was sacrificed on that altar.

This bill contains an element also that allows that grantsmanship to prevail above the element of fairness once again.

I admit we have in this bill, as it comes to the floor, removed what I refer to as the external gerrymandering feature. I opposed that in last year's bill. I would have liked to see it removed. My feelings did not prevail at that time. I think also we ought to look at this bill very closely; and if we do, we will see there is now provided still in this bill an opportunity for what I call internal gerrymandering. I think, on the basis of fairness, both gerrymandering features should have been removed. The committee did not see fit to do that, even though I offered that amendment in committee.

The thing I am concerned about in allowing internal gerrymandering to continue, aside from the fact that well-paid grantsmen will be rewarded for it, is the fact that if this remains, and unless there is some strong language in the report, what could very well happen is that a community or jurisdiction could reach down in a very small area, for instance, a 2- or 3-block area, and identify the unemployment rate at an abnormally high rate, perhaps 40 or 50 percent, use that as one of the application figures to EDA, then step back and look at the whole jurisdiction, for instance, the whole city limit, as the population from which to determine the total number of unemployed. And if that is not gerrymandering and grantsmanship, I do not know what is. So that I feel strongly, first of all, that we should eliminate section 108(e), and if we do not have the wisdom to do that, I suggest strongly a colloquy on the floor of this House to direct EDA not to permit applicants to use one set of population figures for percentage of unemployment and another set for the numbers of unemployed and perhaps for per capita income.

The underlying characteristics of this bill should be that we are trying to improve employment in the private sector on a regional basis. Although I realize that there are pockets of unemployment that one could justify the need to key in on, we really lose sight of the fact that regional unemployment is what our objective was as we began initiating this bill.

For those reasons, I offer this amendment, and I would gladly answer any questions which Members might have. I think it is an important amendment. I think if we do not eliminate it we will see ourselves sitting in committee looking for a scapegoat, EDA or some other agency, or some bureaucrat providing regulations which will allow the manipulation of projects within certain jurisdictions.

We have the opportunity to remove it now; we have the opportunity to provide a more fair basis for analysis of these projects. If we do not do it, it is once again going to be our responsibility to face the problem.

One thing I saw in the committee was that we had a tendency to blame the bureaucracy for the guidelines and the gerrymandering when in fact it was in our legislation. It was in the language although a number of us opposed it.

Madam Chairman, some of us would like to eliminate the internal gerrymandering, and we fear we face a problem again after the \$4 billion is granted if this amendment fails.

Mr. HAMMERSCHMIDT. Madam Chairman, I rise in opposition to the amendment.

This amendment offered by the gentleman from Pennsylvania (Mr. GARY A. MYERS) would repeal section 108(e), the pockets of poverty provision. This feature is very important to many cities which otherwise could not receive assistance for projects under this act. Some cities may have an overall unemployment rate that is by comparison mild but have areas within the city with unacceptably high rates of unemployment.

If I might refer to the gentlewoman from Texas (Miss JORDAN), who is chairing the Committee of the Whole on the State of the Union, she made a very valuable presentation to our committee. In representing her city of Houston, she pointed out the fact—and I will just use the city of Houston as an example—that without section 108(e) there would be no grant for that city, but by having this section in the bill some of the real needs of that city are met. That is just one example of the many projects that have been funded.

The current law provides that in these cases the city may wish to use this pocket as their unemployment rate. The report language to accompany H.R. 11 clearly spells out that in the case where an area uses a pocket of poverty that the project applied for with the use of the unemployment rate of the pocket must be located in the pocket, regardless of who builds it. Furthermore, in the current law there is a requirement that the projects have direct benefit to the unemployed in those pockets. I therefore urge that this amendment be defeated.

Mr. EDGAR. Madam Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I thank the gentleman for yielding, and I would like to associate myself with his remarks.

I think there are a number of communities, counties, towns, and larger

jurisdictions that may on the whole not have large numbers of unemployed and high percentages of unemployed but have these pockets of concern. I think that the testimony before our committee pointed to the problem of outgerrymandering or drawing one circle wider, but it also focused on the fact that within jurisdictions there are these certain areas that have particular needs. Our bill by this particular provision provides for that.

I would urge my colleagues to vote against the amendment. In the community I represent, which is Delaware County, the overall unemployment rate is only 7.2 percent, but if we divide the county in half by a railroad line, on one side of that railroad line we find that between 13 and 18 percent are unemployed and on the other side we see very low areas of unemployment. This would provide the opportunity for us to focus on those areas of need.

Madam Chairman, I think this is an important feature of a bill that tries to put moneys in areas that are economically distressed.

Mr. GARY A. MYERS. Madam Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Pennsylvania, the author of the amendment.

Mr. GARY A. MYERS. Madam Chairman, the gentleman quoted the committee report saying that a community could identify a small segment for the purpose of stating a percentage of unemployment; is that correct?

Mr. HAMMERSCHMIDT. The gentleman is correct.

Mr. GARY A. MYERS. Does the committee report require that those communities live within that same geographical area for all other statistics and data with reference to whatever application they make?

Mr. HAMMERSCHMIDT. Madam Chairman, I heard the gentleman comment with apprehension on that particular point in his original statement. It is my impression that they must use like statistics, that they cannot cross statistics using one from one area and one from another.

This is with reference to rates of unemployment in these areas.

Mr. GARY A. MYERS. Madam Chairman, that is my concern. For example, almost every municipality could identify a block or two that would have perhaps an unemployment rate of 15 percent. It would be grossly unfair to allow that provision to stand in the bill as is and then also allow them to gerrymander out the full jurisdiction area and thus identify the total number of unemployed within the one jurisdiction.

Mr. HAMMERSCHMIDT. Madam Chairman, I agree with the gentleman on that.

Mr. ROE. Madam Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from New Jersey.

Mr. ROE. Madam Chairman, that contention as stated is not correct. The basic fundamental point of view is that a community must use its own unemployment statistics to apply for its particular project.

However, where a community has a particular pocket of poverty—and maybe it is three or four square blocks—it can use that particular pocket of poverty for the project to be specifically located in that pocket of poverty and the governing body of the community scores and sets the priority of the projects that would be approved for that community.

They cannot use the reverse gerrymandering and say, "We want to locate something here or we want to locate something there" and use that particular method.

Mr. HAMMERSCHMIDT. Madam Chairman, let me say that I totally agree with the chairman, and that is what I said earlier.

The CHAIRMAN. The time of the gentleman from Arkansas (Mr. HAMMERSCHMIDT) has expired.

(On request of Mr. GARY A. MYERS and by unanimous consent, Mr. HAMMERSCHMIDT was allowed to proceed for 3 additional minutes.)

Mr. GARY A. MYERS. Madam Chairman, will the gentleman yield further?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. Madam Chairman, I would like to address myself to what the chairman said. The point the chairman is making is a good one, but not the point about which I was speaking. I am not talking about where the project goes or is moved to. When EDA takes the application and they allow a community to identify that portion of the community which has a certain percentage of unemployment, is it the chairman's and is it the bill's intent that that community must also be within the same geographical bounds and that it be required to provide all other data such as total numbers of unemployed, per capita income, or any other feature? In other words, it would be to guard against identifying a block area which may, in fact, have a percentage of unemployment of 50 percent and perhaps only has 300 unemployed. However, an application may come in and say that 50 percent are unemployed or 5,000 are unemployed in a whole city.

My question does not have anything to do with where the project is moved. The concern I have is that the grantor says, "All right. Identify the one with the highest rate of unemployment," and then they can go to some other segment of statistics to identify the total numbers of unemployed.

Mr. ROE. Madam Chairman, if the gentleman will yield, the fundamental legislation says, (a) an applicant, a community, town, or county, must submit its application using those specific forms relating thereto. However, where there is a particular problem which exists in a city, in three or four blocks such as the gentleman is talking about, they can file an application for a project that specifically relates to that area having to do with severity of levels of underemployment, so that there are a lot of tests that have been written into the eligibility requirements with respect to that feature.

Madam Chairman, I think the gentleman from Pennsylvania is saying, Could the city or town use that method to put projects in other areas?

Mr. HAMMERSCHMIDT. No. Madam Chairman, if I may try to clarify this colloquy, the applicant must use the same criteria of numbers of unemployed and rates of unemployment. He must use the same statistics across the project area defined in the application.

Mr. GARY A. MYERS. If the gentleman will yield, that is the question.

Mr. HAMMERSCHMIDT. Then they must use those criteria.

Mr. GARY A. MYERS. Madam Chairman, if the gentleman will yield further, since this bill now extends to a 12-month average unemployment figure, does it make it mandatory that if a four-block area or whatever segment is used is involved, that the unemployment rate for the 12-month period must be set forth and positively identified with that same segment?

Mr. HAMMERSCHMIDT. Those applications will be reviewed, of course, and be included in the unemployment base; and that answer may allay the gentleman's apprehensions.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. GARY A. MYERS).

The amendment was rejected.

AMENDMENT OFFERED BY MR. GIBBONS

Mr. GIBBONS. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GIBBONS: Page 2, line 3, strike out "subsections" and insert in lieu thereof "subsection".

Page 2, line 22, insert quotation marks immediately after the period.

Page 2, strike out line 23 and all that follows down through and including line 7 on page 3.

Mr. GIBBONS (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GIBBONS. Madam Chairman, this is a serious amendment. However, in order to thoroughly understand it, I am going to have to make some humorous remarks about this piece of legislation.

Madam Chairman, I want to pay tribute to the committee, particularly to the subcommittee chairman and to the committee chairman, for having done serious work on this bill and especially for having worried about many of the things that have bothered the Congress about this piece of legislation.

There is one piece, the piece I attempt to strike out now, that I think got in here inadvertently, without much consideration. It is new to this legislation, Madam Chairman; and it is with no disrespect to the subcommittee chairman and to the chairman that I seek to strike it.

My amendment might be called the "anti-adobe hut" amendment, because if this bill is enacted into law in its present form, about the only thing we could legitimately and easily build under this bill is an adobe hut made of rainwater and mud.

I am talking about the provision that starts at the top of page 3. If the Members will take out their copies of the bill

and read them they will see that it says this kind of works project:

... only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, and supplies mined, produced, or manufactured, as the case may be, in the United States, will be used in such project.

Well, you know, that sounds real good. That is "buy American." But we have a "buy American" law already on the law books. I am not seeking to repeal the existing "buy American" law. The "buy American" law is a fundamental part of the United States Code. I repeat, I am not seeking to change that. But this legislation does seek to change it and seeks to change it in a ridiculous manner.

Unless my amendment is adopted, about the only thing one can build is an adobe hut from rainwater and mud.

Let us go through it.

If one tries to build a steel structure, that is the steel that is needed in a foundation and in the building that uses structural steel, that steel cannot be hardened without the use of chromium and molybdenum, both of which minerals must be imported from outside of the United States because we do not produce them.

We have no tin in the United States so we can do no tinwork on the building.

Galvanizing raw materials must be imported.

Much of the cement that is produced in my area is made of materials that come from foreign countries.

We produce no bauxite in the United States that is needed to make aluminum.

The glaze that goes on bricks is, I believe, composed of products that have to come in from outside of the United States.

The big timbers that are used come primarily from Canada.

The hardwood for the doors, even the veneers that are used to face the doors usually comes from Honduras or someplace like that, it is not produced in this country.

Now do we want to regulate our communities to build adobe huts? I do not think so. I am sure the committee did not mean so. I am sure the committee meant to preserve, protect, and defend the "buy American" provision that is currently in the statute, but we do not need to do anything to it. It is not a part of this act.

If we want to build buildings and build them sensibly, and build them in accordance with existing law, and not force everybody to go back to the drawing boards, then we should adopt my amendment.

I say all this giving due deference to the committee. I know that they concentrated their efforts, opinions, and their resources on working out all of the vexatious problems that were discussed by previous speakers, but not this one.

So I respectfully ask the Members to strike this provision by adopting my amendment.

Mr. ROE. Madam Chairman, I rise in opposition to the amendment.

Madam Chairman, I would like to sug-

gest, that I am sure that my distinguished friend from the great State of Florida did not mean that the efforts of the committee were ridiculous because in formulating this bill we did not mean to be ridiculous. We were trying to do something to provide jobs for the people of the United States, people who are unemployed and who are hungry in our own country.

Now, when you think about it, I do not know what is so terribly wrong with "buy American." That is why I want this colloquy on the floor in order to make a very indelible point to everyone in this room, and that is that we are not raising a matter of foreign policy but, rather, we are trying to provide jobs for Americans. If we do not have in this bill some type of limitation on funding that we are putting in this bill to subsidize the basic steel industry, we cannot do this because they are competing with steel that is manufactured in all countries.

We can go through the whole litany of everything that is manufactured in this Nation. But I should like to deal with a little bit of the facts on the table as the facts ought to be dealt with. We are talking about a very succinct point in here. For every \$2 billion that we are pumping as Members of Congress into this bill, those \$2 billion are estimated to create on-site jobs for 150,000. Then we said in the debate 2 years ago, going through two vetoes and everything else, that an on-site job of one equaled one other job in American industry. Whatever comes out on this debate, and whatever we decide to vote, understand one thing, that that is a lie; it is not a truth; it is a fallacy. One billion dollars is going to go—part of it without this amendment—to subsidize foreign industries throughout the world, and it is not going to provide jobs for people in the United States. However we decide to vote, that is important. But let us get that square and smack right in the middle on this particular issue.

I do not want to get our public works jobs involved in an international situation, but let us not fake it either. The fact still remains that there are still other arguments that are going to be made to try to change direction. In other words, whose ox is going to be gored? One can get the most out of this section or that section.

We are dealing with equity for people trying to provide jobs for unemployed people. We borrowed \$4 billion—23 States—from the Unemployment Compensation Trust Fund. So let us not have any crocodile tears. Let us deal with it as it is. What we are going to vote up and down here is not the international policy of the United States; we are going to vote up and down on this particular amendment as to whether or not we want part of that billion dollars to go to provide jobs for manufacturers in this country.

Mr. VANIK. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Ohio.

Mr. VANIK. I thank the gentleman for yielding.

If the language remains as it is in the bill, how will it structurally operate? Will every project require letters of certification or some documentation to insure that everything involved in the capital improvement, everything involved, every item purchased is a total American product? Is that going to be part of the paperwork that is going to be required? It seems to me that the extra paperwork could tremendously slow down what our real aim is here: to create jobs.

Mr. ROE. I would assume that the gentleman knows that the agency will structure the regulations based on that issue and will not have to come up with that answer.

Mr. VANIK. If the distinguished chairman will yield further, how will it operate? What will the regulations require?

Mr. ROE. I would assume the certification regulations would follow what the amendment says and what the section of the law says. It has to be "buy American."

Mr. VANIK. How much documentation does the chairman contemplate will be involved with the certification that everything involved in the project is 100 percent American?

Mr. ROE. By the same token, I will say to my good friend, regarding the documentation that is needed—which is five feet high—to import everything that is imported into this country, let us compare paper with paper, not as to whether it is manufactured in New Jersey or in Ohio, but manufactured in some other country. Let us compare the paperwork we have to pile up for the importation we are going to make.

Mr. VANIK. Supposing the paper that certifies it is 100 percent American was made of some imported pulp. Will that invalidate the whole business?

Mr. ROE. It will invalidate the gentleman's paperwork and mine. All I want to do is buy the products from our country.

Mr. VANIK. It seems to me what is suggested here is a way to slow up the whole process with a tremendous amount of paperwork and, I believe, litigation before we move to develop capital projects and desired employment stimulation.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. OBERSTAR, and by unanimous consent, Mr. ROE was allowed to proceed for 3 additional minutes.)

Mr. OBERSTAR. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Madam Chairman, this debate I think has lost sight of some of the essential language in the bill, and that essential word is "substantially." The bill does not say 100 percent. The committee was very careful in writing that language and in considering the Buy American feature. It says "substantially" and it does not say 100 percent.

We had testimony before our committee that in the structural steel industry, imports have risen to some 30 percent

of domestic consumption, imports from countries where there is unemployment but where there is substantial subsidy from governments to those competing industries, where there is unfair foreign competition with domestic production, and we wanted to make sure in this public works bill that we would create jobs in the United States and that we are not disadvantaging any part of American industry.

So, coming from a steel-affected area, one that produces iron ore and as the gentleman from Ohio knows, because he comes from an area that produces the steel, I am sure he would agree that we should be very sensitive to the need to assure that what goes into these public works projects will be substantially American—not 100 percent.

Mr. STEIGER. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Wisconsin.

Mr. STEIGER. Madam Chairman, what is the definition of "substantial"?

Mr. ROE. That would be interpreted by the agency that interprets it. It has to be more than 50 percent I assume. That would be my interpretation.

Mr. STEIGER. Do I understand the provisions as drafted applies to manufactured goods and that as to raw materials it is 100 percent? Is that a correct interpretation of the language?

Mr. ROE. That is a correct interpretation.

Mr. OBERSTAR. But in further interpretation, if the gentleman will yield, I would point out we do not use iron ore, in construction projects, we use steel. It is a manufactured product.

Mr. DUNCAN of Oregon. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Oregon.

Mr. DUNCAN of Oregon. Madam Chairman, I appreciate the point the gentleman is making and I am in sympathy with his argument, except that he has not yet addressed himself, and I wish he would, to the point of the gentleman from Florida, who talked in terms of some commodities without which we can hardly construct a modern public works project, commodities such as aluminum or tin or zinc which are not manufactured in this country. On the steel industry, yes, and perhaps language can be worked out in that respect, but with respect to aluminum or tin or products of this sort it seems to me the provision is substantially unworkable.

Mr. ROE. I think, as the gentleman from Minnesota pointed out, we are talking about substantial amounts of material.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

(By unanimous consent, Mr. ROE was allowed to proceed for 1 additional minute.)

Mr. ROE. Madam Chairman, I want to report on the gentleman's comment that we are talking about substantial amounts of material. The point the gentleman is making is a good one on bauxite and other ore. As far as I am concerned we do not have a problem with that.

Mr. VOLKMER. Madam Chairman, will the gentleman yield on this point?

Mr. ROE. I yield to the gentleman from Missouri.

Mr. VOLKMER. Madam Chairman, I question whether it is necessary to have that language in there, including "substantially all" down to "United States" where we provide that supplies manufactured in the United States will be used in such projects and we raise the problem of the definition of the word "substantially." Is that necessary?

Mr. ROE. To me basically the word "substantial" means more than 50 percent.

Mr. VOLKMER. But is it necessary to have that word "substantial" in there at all?

Mr. ROE. The committee, recognizing the very strong feelings, as pointed out by the gentleman from Minnesota, deliberately included that. We felt we should put that word in there to meet some real problems.

PERFECTING AMENDMENT OFFERED BY  
MR. HARSHA

Mr. HARSHA. Madam Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Perfecting amendment offered by Mr. HARSHA: Page 3, line 7, after the first period insert the following:

"This subsection shall not apply in any case where the Secretary determines it to be inconsistent with the public interest, or the cost to be unreasonable, or if articles, materials, or supplies of the class or kind to be used or the articles, materials, or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality."

Mr. HARSHA. Madam Chairman, as the colloquy here indicated there are very valid concerns with the language that is in the bill. There are very valid concerns with the rules and regulations and with the certifications that would have to follow and possibly the delays which would be incurred.

So the effect of my amendment is merely to put into the language of the bill that language in the Buy American Act that is already in the law, that provides the necessary escape clauses to circumvent all of these problems that have been raised here. I think we will achieve both objectives if the committee will accept my perfecting amendment.

Mr. ROE. Madam Chairman, if the gentleman will yield, the majority side of the committee will accept the gentleman's amendment.

Mr. HARSHA. Madam Chairman, I thank the gentleman, and we will accept the amendment on this side, too.

Mr. VANIK. Madam Chairman, I join my colleague SAM GIBBONS in urging the deletion of the buy-national provision contained in subsection (f) on page 2 of H.R. 11.

This is a mischievous provision which will do much more harm than good.

H.R. 11 is designed to get people to work fast. All that subsection (f) will do is slow up the economic recovery. It will result in enormous confusion and delay as Government officials write letters back and forth to each other, dissecting the

contents of every bag of cement, every steel I-beam, and indeed, the origin of the wood pulp on the reams of new Government forms which will be required to administer subsection (f).

Second, the provision will create havoc with our negotiations to remove foreign trade barriers to American products, and will result in foreign restrictions against our \$110 billion export trade. Any jobs which might be gained—and gained only at enormous expense to the purchasing governments—would be offset by jobs lost in our export industries due to foreign retaliation. Each Member's office should have received a "Dear Colleague" letter from me this morning containing the text of a letter which I have just received from the Acting Special Representative for Trade Negotiations. This letter strongly urges the deletion of the amendment and reports that progress has been made in our negotiations to make foreign governments reduce their buy-national restrictions which hurt our producers.

Subsection (f) would completely upset these negotiations and result in both a short- and long-range loss of established American jobs. Subsequently, letters from the Departments of Commerce and State have been sent pointing out the enormous harm this provision would do to the goals of the program and to our export trade.

Since the gentleman from Ohio (Mr. HARSHA) offered an amendment to the Gibbons amendment reaffirming the "Buy America" provisions of existing law, I am pleased to support the Harsha amendment.

Mr. GARY A. MYERS. Madam Chairman, I move to strike the last word.

Madam Chairman, I will reluctantly support the amendment, not because I am against "buy America," but because there are a number of factors we should consider, probably not the least of which is one of the arguments the chairman used against one of my amendments, that it places more responsibility on EDA and could slow down the program. Therefore, we should remove as many barriers as possible to a rapid approval of projects.

The second question I would have is that we are dealing now with projects which were submitted last year and, in fact, it is hard for us to predict how the costs on those contracts were derived. Some of them may, in fact, have included some materials which now would not qualify.

The question I have to the committee chairman is, are we going to allow the local municipalities to automatically increase costs for a submitted project if, in fact, they are affected by this language?

Mr. ROE. Madam Chairman, would the gentleman from Pennsylvania repeat part of that again? I heard most of it, but everybody is talking over on this side and it is difficult to understand.

Mr. GARY A. MYERS. Madam Chairman, we are going to be moving on with what essentially were old projects submitted last year. Some of those projects may be approved by this amendment. Are we going to allow the communities to adjust and resubmit their projects if,

in fact, they are affected by this language?

Mr. ROE. Madam Chairman, if the gentleman will yield further, if any of those projects are upgraded, they will have to be upgraded to the cost situation at this time.

I think what the amendment of the gentleman from Ohio (Mr. HARSHA) has done is clean up these provisions and they are more workable at this point.

Mr. GARY A. MYERS. So the communities will be able to upgrade the costs of their submitted projects with regard to the provisions of this section?

Mr. ROE. The answer is that any applicant, who has an application on file at the EDA, as I understand the procedures of the agency, would upgrade the costs of those projects. We both know there has been an increase of 12 to 14 percent inflationary construction costs alone.

The gentleman is suggesting that if "Buy America" is going to increase their prices, then I say "Buy America," because somebody else is going to get the job in this country.

Mr. FRENZEL. Madam Chairman, I move to strike the last word.

Madam Chairman, I move that H.R. 11 be amended to strike subsection (f) of section 1. This subsection would require that any unmanufactured materials used in local public works projects financed with grants made under this act be of domestic origin. It also requires that manufactured articles be made "substantially all" from domestic articles. The net effect of such a provision is to proscribe the use of all foreign source materials in any public works projects contracted under this act.

While I certainly applaud the object of such a provision—which is to assure that public works money will generate domestic jobs as broadly as possible—I think there are many reasons why such a provision is ill-advised and should not be a part of this bill.

First, the language of this subsection is so broad that it would prevent the use of many materials which are either in short supply or unavailable at all in this country. None of us needs be reminded of the extent to which this country is dependent upon foreign oil. Some 87 percent of our aluminum demand is supplied from abroad, one-fifth of the iron ore we use is foreign, and nearly 90 percent of our chromium is imported. The language of subsection (f) would seem to prohibit the use of funds for any project requiring any significant quantity of these and other imported materials.

Furthermore, the object of H.R. 11 is to finance the maximum number of job opportunities in communities where unemployment is far above the national average. But this subsection would, in many cases, substantially increase the cost of such projects by requiring more expensive American materials. Obviously, such increased costs can only result in a reduction in the number of new job opportunities and thereby, run counter to the objectives of this legislation.

Moreover, a 1976 GAO report notes that Federal officials use domestically produced goods whenever possible, as dictated by the Buy America Act, Executive orders, Federal regulations, national security requirements, and practical considerations. But subsection (f) would impose on local governments a far more stringent domestic purchasing requirement than the Federal Government has imposed upon itself.

It is, however, as a member of the Ways and Means Subcommittee on Trade that I offer my primary reason for opposing this subsection. As we all are aware, U.S. exports account for an important and growing number of domestic jobs. These jobs are related to products which increasingly are purchased by foreign governments or by government-controlled entities. By including this subsection in H.R. 11, we could trigger similar action on the part of foreign governments with respect to their purchases of U.S. products. This can only have a serious adverse affect on domestic employment and thus be counterproductive to the purpose of H.R. 11.

As well, for a number of years we have been engaged in multilateral negotiations seeking to work out a code that would establish international standards for awarding Government and public works contracts. The result of such an international code would be to further open foreign markets to U.S. suppliers in exchange for our elimination of some or all of our "buy America" restrictions against foreign suppliers. During these negotiations we have impressed upon all parties the desirability of not increasing the existing restrictions against foreign suppliers. We have made progress in this area. But if subsection (f) were to remain a part of H.R. 11 our efforts to establish an international code favorable to U.S. interests would be set back substantially.

Along with the President's Special Trade Representative, the State Department, and the Commerce Department, I therefore urge acceptance of this amendment to strike subsection (f) of section 1, in furtherance of the object of the Local Public Works Capital Development and Investment Act of 1976.

Madam Chairman, I would like to ask the gentleman from Ohio about the amendment the gentleman has offered. There is added material to follow line 7 on page 3 at the end of clause 106(f). Is it the intention of the gentleman that this amendment will make this particular bill operate as the Buy America Act now operates?

Mr. HARSHA. Madam Chairman, if the gentleman will yield, that is correct.

Mr. FRENZEL. So that for purposes of administration and interpretation on the part of the local governments, they could make the assumption that whatever we are doing now at the Federal Government level under buy America would be permitted under this bill?

Mr. HARSHA. Madam Chairman, if the gentleman will yield, the answer is that is correct.

Mr. FRENZEL. Madam Chairman, I yield to the gentleman, and in that case,

although I would prefer to have the Gibbons' language, which is the striking of the clause, I think the gentleman has made a responsible compromise and I think we may be able to move ahead with projects under the gentleman's language.

Mr. CONABLE. Madam Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding to me.

Madam Chairman, it seems to me that this probably is a good compromise only in the sense that it will keep us from doing something foolish. The gentleman from New Jersey raised the point that we should not confuse foreign policy with public works. Whether we like it or not, we are involved in foreign policy in this body. If Members do not believe so, they should read the Trade Reform Act of 1974. What we do here is watched by our trading partners for the straws in the wind that will tell them congressional attitudes.

Quite frankly, last year we exported over \$105 billion worth of goods. We have got to continue to export heavily if we are going to import as much oil as our lack of energy policy requires. That \$105 billion in goods involves considerable employment, not only for our farmers but for our manufacturers as well.

It seems to me that we have got to be extremely careful of votes in this body, that will be interpreted as assaults against trade, to the detriment of the tremendous number of jobs now involved in the export trade. In the light of the importance of this export trade, we should be extremely careful about such things. Such a vote punishes our leadership in trying to improve worldwide procurement practices.

I am pleased that a compromise has been worked out. I think it is clear that we must restrain our national enthusiasm for wanting to buy American, considering our obligations as a leader in world trade generally, and the positions we have taken in the MTN in Geneva.

Mr. FRENZEL. I thank the gentleman for his contribution, and wish to associate myself with those remarks.

Madam Chairman, I would like to say further than when it is appropriate I will ask unanimous consent to insert into the RECORD three letters. One is from the Department of Commerce; one is from the Office of Special Trade Representative, and the third is from the Department of State. They are all in objection to clause (f), section 106, for many of the reasons that have just been articulated by the gentleman from New York. The administration obviously opposes clause 106(f).

We are now engaged in negotiations in Geneva trying to reduce restrictions raised by some governments against American sales. It is very difficult for us to achieve any kind of important result in that respect if we pass new legislation that makes it more difficult for foreigners to trade here.

We create a good deal more jobs in foreign trade by our exports than we ever reduce by our imports. Therefore we must be extremely careful not to interfere with trade expansion, as we might have done today. Thankfully, we have now achieved what seems to be a satisfactory compromise which has been given to us by the gentleman from Ohio (Mr. HARSHA).

Madam Chairman, the letters I referred to follow:

GENERAL COUNSEL OF THE  
DEPARTMENT OF COMMERCE,  
Washington, D.C., February 23, 1977.  
HON. HAROLD T. JOHNSON,  
Chairman, Committee on Public Works and  
Transportation, House of Representatives,  
Washington, D.C.

DEAR MR. CHAIRMAN: This letter is to express the concerns of the Department of Commerce regarding certain new requirements contemplated by H.R. 11, amending and extending the Local Public Works Capital Development and Investment Act of 1976 (the "Act"), as reported by your committee. The Department of Commerce believes that the enactment of the proposed 106(f) of the Act could impede the economic stimulus purpose of the public works program and will not be in the best interest of U.S. foreign trade policy.

The new subsection 106(f) would require that any unmanufactured or manufactured materials for local public works financed with any grant made under the Act be of domestic origin. No similar requirement currently exists for such local public works projects. While the Buy American Act (41 U.S.C. 10 a-d) requires use of domestic materials for federal public works, department heads may waive the requirement upon a determination that it is "inconsistent with the public interest or the cost is unreasonable". No such waiver authority is included in the proposed subsection 106(f).

The Department believes that the requirements of subsection (f) could cause delays and require modification in the implementation of projects, and perhaps cancellation of others, thus impeding the economic stimulus which grants authorized by the Act otherwise would generate. Delays in implementation will occur since an appropriate policing mechanism must first be instituted. Proposals already submitted by communities will have to be reexamined to assure that no foreign materials are to be used. Second, such grants made under the Act will fund smaller, and perhaps fewer projects, as communities revise upwards cost estimates to cover the greater costs of using higher priced domestic materials. Third, communities would have to forgo some projects in circumstances where domestic materials were in short supply or not available at all.

The Department also strongly believes that the inclusion of subsection (f) is not in the best interests of U.S. foreign trade policy. If enacted, subsection (f) would seriously undermine our ability and efforts in the Multilateral Trade Negotiations to obtain removal of foreign barriers to U.S. exports resulting from existing buy national policies of other countries.

For these reasons, the Department strongly opposes the enactment of the proposed Subsection 106(f).

We have been advised by the Office of Management and Budget that there would be no objection to the submission of this letter from the standpoint of the Administration's program.

Sincerely,

HOMER E. MOYER, JR.,  
Acting General Counsel.

THE SPECIAL REPRESENTATIVE  
FOR TRADE NEGOTIATIONS,  
Washington, D.C., February 23, 1977.

HON. CHARLES A. VANIK,  
Chairman, Subcommittee on Trade, U.S.  
House of Representatives, Washington,  
D.C.

DEAR MR. CHAIRMAN: I have noted that the Subcommittee on Economic Development has amended H.R. 11, by adding a subsection (f) to Section 106 of the Local Public Works Capital Development and Investment Act of 1976, the net effect of which is to proscribe the use of foreign source materials in public works contracts carried out under the Act.

For a number of years we have been engaged in a multilateral negotiation looking toward an international code under which foreign markets would be opened to U.S. suppliers in exchange for our eliminating some or all of our buy-national restrictions against foreign suppliers. We have made progress in this effort. During the negotiations we have impressed upon all parties the desirability of not increasing the existing restrictions against foreign suppliers.

I would urge that steps to increase the restrictiveness of the U.S. procurement system not be taken during these negotiations. We therefore strongly urge that the amendment be reconsidered in light of these considerations and that the amendment be stricken at the earliest possible opportunity.

Very truly yours,

ALAN WM. WOLFF,  
Acting Special Representative for  
Trade Negotiations.

DEPARTMENT OF STATE,  
Washington, D.C.

HON. ROBERT A. ROE,  
Chairman, Subcommittee on Economic Development, Committee on Public Works and Transportation, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I understand that H.R. 11, a bill intended to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976, as reported out by the Committee on Public Works and Transportation contains a provision to the effect that all projects funded under the program must be American made.

This exclusionary provision is of great concern to us because of its implications for U.S. trade. As you know, U.S. exports account for an important and growing number of U.S. jobs domestically, including products which increasingly are purchased by foreign governments or government controlled entities. Adoption by other governments of provisions similar to that proposed in H.R. 11—in response to or in emulation of our actions—can only result in an adverse effect on U.S. domestic employment which is contrary to the purpose of H.R. 11.

Indeed, the U.S. has taken the initiative in the negotiation of an international government procurement code to ensure that our exporters are not discriminated against and U.S. jobs dependent on such exports are protected. Such a code would provide procedures and controls for assuring non-discriminatory purchasing by signatory governments. We have made considerable progress in the development of this code in the OECD and discussions are now taking place in the Multilateral Trade Negotiations. Our objectives in these negotiations would be set back considerably if at the same time we extended the restrictiveness of the U.S. procurement system.

The objective of H.R. 11 is to finance the maximum number of job opportunities in communities where unemployment is far above the national average. The "buy national" provision would, in many cases, increase substantially the cost of the projects, limiting the number of new job opportunities

and thus would run directly counter to the objectives of the proposed legislation.

For the above reasons, we urgently request that the buy national provision be reconsidered and that it be eliminated from the bill.

I would like to advise you that I am sending an identical letter on this subject to Mr. Harsha.

Sincerely,

KEMPTON B. JENKINS,  
Acting Assistant Secretary for Congressional Relations.

Mr. GIBBONS. Madam Chairman, I move to strike the last word. I only take the floor for the purpose of asking the gentleman from Ohio to clarify his amendment. As I understand it, this amendment is a substitute for my amendment. If the gentleman's amendment is adopted, my amendment would be wiped out and his would, in effect, be reaffirmation of the existing buy American law.

Mr. HARSHA. I think that is more in the nature of a parliamentary inquiry which should be addressed to the Chair. I offered the amendment as a perfecting amendment to the language in the bill, which would take precedence, as I understand it, over the gentleman's amendment.

Mr. GIBBONS. Madam Chairman, I ask unanimous consent that the gentleman's amendment be considered as a substitute for my amendment.

The CHAIRMAN. The Chair would say to the gentleman from Florida that the amendment offered by the gentleman from Ohio is a perfecting amendment to the text of the bill, and it will be voted on first because of its precedence.

Mr. GIBBONS. That is the same as a substitute. That is the ruling of the Chair.

Mr. HARSHA. Madam Chairman, will the gentleman yield?

Mr. GIBBONS. I yield.

Mr. HARSHA. I want to say to the gentleman, and for the benefit of the gentleman from Minnesota, that my intention in offering the amendment was just as I have stated, but my intention also is to join the chairman in emphasizing the fact that we hope that American-made products will be used where consistent with the national interest. So, in no way do we want to interfere with the foreign policy of the government or any of its other activities. But, we do want to emphasize the urgency of buying American materials and American products where consistent with our national interests.

Mr. GIBBONS. I think all of us agree with that position. I certainly do.

Let me say that as one who attempted to strike the language in the current bill—and this problem comes up from time to time throughout the year—I would like to state for the benefit of those who are listening that as long as we stick to the current law, I am not going to try to change it. But when committees come in here time and time and time again trying to change the current law that has been worked out in the Committee on Government Operations, I will certainly be down here in the well defending the existing law.

Mr. STEIGER. Madam Chairman, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from Wisconsin (Mr. STEIGER).

Mr. STEIGER. I thank the gentleman for yielding.

Madam Chairman, I want to associate myself with the remarks of the gentleman, particularly on this last point. I would hope that the experience we have gone through this afternoon may be useful for other committees who may be tempted to try to go beyond and disrupt what was worked out by the Committee on Government Operations. I think it would be harmful for us, both internationally and domestically, if that would happen, and I join with the gentleman in the well in his warning.

Madam Chairman, I am grateful for the kind of leadership that has been offered by the gentleman from Minnesota (Mr. FRENZEL), the gentleman from Florida (Mr. GIBBONS), and others, for working this out in a satisfactory manner. I thank the gentleman from Ohio for offering this perfecting language.

Mr. FOLEY. Madam Chairman, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. I thank the gentleman for yielding.

Madam Chairman, I want to associate myself with the remarks of the gentleman from Florida (Mr. GIBBONS) and the gentleman from Wisconsin (Mr. STEIGER), and I want to compliment the gentleman from Ohio (Mr. HARSHA) for offering this amendment. I think we would have made a bad mistake to proceed with the original language of this bill, and I think the gentleman's amendment perfecting the language is a very strong improvement to this legislation.

PARLIAMENTARY INQUIRY

Mr. ROE. Madam Chairman, would the Chair explain the parliamentary situation?

The CHAIRMAN. The parliamentary situation is this:

The gentleman from Florida (Mr. GIBBONS) offered an amendment to strike a paragraph from the bill. The gentleman from Ohio (Mr. HARSHA) offered an amendment which is a perfecting amendment to the original bill and which, if it is adopted, would be a part of the original text which the gentleman from Florida proposes to strike.

The question would then occur on the amendment offered by the gentleman from Florida (Mr. GIBBONS). If the amendment offered by the gentleman from Florida (Mr. GIBBONS) were adopted, then the language which had been included as a perfecting amendment would also be stricken, along with the rest of the paragraph.

The question is on the perfecting amendment offered by the gentleman from Ohio (Mr. HARSHA).

The perfecting amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. GIBBONS).

The amendment was rejected.

AMENDMENT OFFERED BY MR. GOLDWATER

Mr. GOLDWATER. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GOLDWATER: Page 5, line 15, strike out section 112, and insert in lieu thereof the following new section 112:

"SEC. 112. The Secretary shall not reject any application for a grant for the construction of a detention facility or a correctional facility on the grounds that the applicant failed to design such facility to meet design standards or requirements promulgated by the Federal Government."

Mr. GOLDWATER. Madam Chairman and colleagues, the purpose of this amendment is, to get the LEAA completely out of the business of dictating jail designs for State and local governments. This similar language was offered and adopted on September 2, 1976, when it was offered by my colleague, the gentleman from California (Mr. WIGGINS), to the LEAA extension bill last year. It was supported by the full House, as well as most members of the Committee on Public Works and its chairman.

The amendment that I am offering deletes section 112 of H.R. 11 found on page 5 and inserts a new section which forbids EDA from rejecting construction standards.

Section 112 was adopted by the full committee in accepting an amendment offered by our colleague, the gentleman from Texas (Mr. MILFORD), to accomplish somewhat the same task. That language that was adopted, however, did not go far enough. In essence, the Milford amendment which was adopted and which is now section 112 prevents LEAA from intervening in States which have their own standards as far as the construction of jails is concerned; 15 States do not presently have their own standards.

However, I think the fundamental question that must be asked and addressed by ourselves is this: Why is it that the Federal Government is getting into the business of design and construction of local detention facilities?

Now, to be sure, some States and some localities have erred. But what makes any Member in this Chamber think that the Federal administrator is infallible? If a locality makes a mistake, only its citizens suffer and the Nation may indeed profit from the experience, but if a Federal administrator errs, the Nation as a whole suffers.

We all feel strongly, I believe, about the elimination of unnecessary Federal bureaucratic intrusion into local affairs. This amendment would provide for removing the local governments from the business of setting standards for the modification, renovation, and improvement of their local detention facilities. This gives us an opportunity in essence to put up or shut up on our often expressed convictions.

What this amendment, therefore, does is to make absolutely clear that on jail construction projects covered by H.R. 11 LEAA cannot dictate facility design or standards and provides that the whole issue will be left up to the States and local governments.

I say that the people who sent us here

have enough confidence and common sense, in my opinion, to build a local jail without Federal intervention, and, therefore, Madam Chairman, on behalf of my colleague, the gentleman from California (Mr. WIGGINS), who was successful in his attempt to have this amendment adopted last year, I urge my colleagues to reaffirm once again our faith in local government in this particular area of jail construction as pertains to this accelerated public works bill, H.R. 11.

Mr. ROE. Madam Chairman, I rise in opposition to the amendment.

For the benefit of the members of the committee, in analyzing this amendment I call to the attention of the Members the fact that the Committee on Public Works and Transportation reluctantly accepted the amendment offered by the gentleman from Texas (Mr. MILFORD) in the committee in the first place, but the questions he raised and his method of presentation were very telling.

Repeating part of what the gentleman from California (Mr. GOLDWATER) has stated today in his presentation, the gentleman from Texas (Mr. MILFORD) came back and said, "Well, there are areas in local public investment where there would be three or four cells added or part of the construction of an existing jail." We thought that was reasonable because we are talking about the Local Public Works Capital Development and Investment Act.

If we go the route of taking out the entire review by the LEAA organization or the LEAA structure, that means that anybody can do anything they want in any type of construction without referring to LEAA at all. I think that would be making a terrible error in judgment in the whole area of penal facilities construction and the penal code as far as advancing construction in that area.

Madam Chairman, I firmly recommend to the committee that this amendment be rejected.

Mr. GOLDWATER. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from California.

Mr. GOLDWATER. Madam Chairman, I might say to the gentleman from New Jersey (Mr. ROE) that it is peculiar that in this area to which the gentleman refers he is on record, I believe, last year, when the amendment was offered to the LEAA extension bill by the gentleman from California (Mr. WIGGINS), as voting in favor of it. I wonder why he has now changed his mind in regard to the amendment offered on this same issue.

Mr. ROE. The bill did not modify the part (E) section of that at all.

If we are going to spend large amounts of money such as \$5 million and we are going to build institutional or correctional facilities, I have no quarrel with the gentleman's amendment.

However, we are talking about a cap of \$5 million that has been placed on any project. This amendment opens this whole program to the point that it is wide open for any of the local communities and the counties to be able to build their courthouses or expand their jails to meet the existing needs.

I do not really believe that the gentle-

man means that where there is a \$10 million or \$15 million or \$20 million change in the institutional construction program of a project that he would want to negate that entire LEAA requirement.

Mr. GOLDWATER. Madam Chairman, if the gentleman will yield, I think what this amendment pertains to is only these moneys in H.R. 11.

If the gentleman had an opportunity to analyze the memorandum of understanding between LEAA and EDA, it would be obvious to him that those requests for funds would not have been granted because of the bureaucratic red-tape entailed under that method of understanding or procedure.

Mr. ROE. I do not really think that that is germane because EDA has to go by the new standard which we wrote in the bill. In addition, I would like to point out to the gentleman from California that during the first allocation of funds under the Local Public Works Act, the LEAA's national clearinghouse on criminal justice planning and architecture, certified 382 out of 433 projects submitted which involved detention in excess of 24 hours. This part (E) certification rate of approximately 88 percent indicates that local governments did not have unreasonable difficulty meeting the advanced practices criteria of the LEAA. We are also aware that over \$1 billion worth of criminal justice projects certified by the national clearinghouse as meeting part (E) criteria during the first round of funding remain unfunded. We do not anticipate, therefore, that there will be any delay in the flow of Federal funds to our local governments as a result of the LEAA part (E) requirements under H.R. 11.

Therefore, Madam Chairman, I am in opposition to this particular amendment.

Mr. HAMMERSCHMIDT. Madam Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Madam Chairman, I want to compliment the gentleman who offered this amendment since he is a very valuable member of our committee.

He may recall that this whole problem arose because of regulations promulgated by the Economic Development Administration as a result of language in the report on the Public Works Employment Act of 1976 from the other body.

In that report from the other body, which accompanied the public works bill, the following language appeared:

With respect to any expenditure of funds for detention facilities, the Secretary of Commerce shall make grants only to those projects which meet the criteria set down under part (e) of the Omnibus Safe Streets and Crime Control Act of 1968, as amended . . .

As a result, we did write into the language of this bill that is before us some compromise wording, and I will read that into the RECORD also.

The compromise we arrived at in section 112 says:

Whenever a State certifies to the Secretary that such State has standards for construction of jails, and that all such standards will be met in connection with any grant made under this Act for a project relating to jails, such State standards shall be the sole stand-

ards criteria governing approval of such jails for the purpose of any grant made under this Act.

That was put in there through an amendment offered by the gentleman from Texas (Mr. MILFORD).

Madam Chairman, I think we have arrived at a reasonable compromise. To go any further would encroach on another committee's jurisdiction, that of the Committee on the Judiciary.

Therefore, Madam Chairman, I object to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. GOLDWATER).

The amendment was rejected.

AMENDMENT OFFERED BY MR. MITCHELL OF MARYLAND

Mr. MITCHELL of Maryland. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MITCHELL of Maryland: Page 2, line 23, insert "(1)" immediately before "Notwithstanding."

Page 3, line 7, strike out the quotation marks and the period immediately following the quotation marks.

Page 3, immediately after line 7, add the following:

"(2) Notwithstanding any other provision of law, no grant shall be made under this Act for any local public works project unless at least 10 per centum of the dollar volume of each contract shall be set aside for minority business enterprise and, or, unless at least 10 per centum of the articles, materials, and supplies which will be used in such project are procured from minority business enterprises. For purposes of this paragraph, the term 'minority business enterprise' means a business at least 50 percent of which is owned by minority group members or, in case of publicly owned businesses, at least 51 percent of the stock of which is owned by minority group members. For the purposes of the preceding sentence, minority group members are citizens of the United States who are Negroes, Spanish-speaking, Orientals, Indians, Eskimos, and Aleuts."

Mr. MITCHELL OF Maryland (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. MITCHELL of Maryland. Madam Chairman, the minority and the majority side have been provided with a revised copy of the amendment. I ask unanimous consent to merely insert the words "10 per centum of the dollar volume of each contract shall be set aside for minority business enterprise."

Madam Chairman, I am merely asking unanimous consent to modify the amendment at this point to include that phrase. That is in the revised amendment that is before the Chair.

The CHAIRMAN. The Chair will advise the gentleman from Maryland (Mr. MITCHELL) that if that language is in the revised language at the desk, his unanimous consent request is not necessary.

Mr. MITCHELL of Maryland. Madam Chairman, it is in the revised language at the desk, and it is in the copies provided the minority side and the majority side.

The CHAIRMAN. Then the request of the gentleman would not be necessary.

Mr. HARSHA. Madam Chairman, if the gentleman will yield, would the gentleman care to tell us where this language that he would like to insert would appear.

Mr. MITCHELL of Maryland. The language referred to appears at page 3, immediately after line 7, in the revised amendment that the gentleman has before him.

It is in the revised amendment that the gentleman has before him, it says:

Notwithstanding any other provision of law, no grant shall be made under this Act for any local public works project unless at least 10 per centum of the dollar volume of each contract shall be set aside for minority business enterprise.

That is the only insertion.

Mr. HARSHA. Madam Chairman, I thank the gentleman.

Mr. MITCHELL of Maryland. Madam Chairman and my colleagues, all this amendment attempts to do is to provide that those who are in minority businesses get a fair share of the action from this public works legislation.

I want to commend the chairman and the members of the committee who have done a great deal to make this public works bill far more equitable than it was last year. They have targeted and have amended the legislation to cover areas of high unemployment and they have improved the legislation so that it is a much better bill. But there is one shortcoming that I see in the bill that I am attempting to address through my amendment. That shortcoming is that there will be numerous contracts awarded at the local level for various public works projects, but in that there is no targeting—and I repeat—there is no targeting for minority enterprises.

Let me tell the Members how ridiculous it is not to target for minority enterprises. We spend a great deal of Federal money under the SBA program creating, strengthening and supporting minority businesses and yet when it comes down to giving those minority businesses a piece of the action, the Federal Government is absolutely remiss. All it does is say that, "We will create you on the one hand and, on the other hand, we will deny you." That denial is made absolutely clear when one looks at the amount of contracts let in any given fiscal year and then one looks at the percentage of minority contracts. The average percentage of minority contracts, of all Government contracts, in any given fiscal year, is 1 percent—1 percent. That is all we give them. On the other hand we approve a budget for OMBE, we approve a budget for the SBA and we approve other budgets, to run those minority enterprises, to make them become viable entities in our system but then on the other hand we say no, they are cut off from contracts.

In the present legislation before us it seems to me that we have an excellent opportunity to begin to remedy this situation.

I know what the points in opposition

will be. The first point in opposition will be that you cannot have a set-aside. Well, Madam Chairman, we have been doing this for the last 10 years in Government. The 8-A set-aside under SBA has been tested in the courts more than 30 times and has been found to be legitimate and bona fide. We are doing it in this bill. We are targeting for various groups of people. We are targeting for the Indians, that is a set-aside. All that I am asking is that we set aside also for minority contractors.

I would point out also that this concept of a set-aside is becoming increasingly popular. Many States and many local subdivisions have moved into the process of setting aside contracts for minorities. That is because that is the only way we are going to get the minority enterprises into our system.

Let me continue, and, very seriously—and perhaps it is unfortunate, maybe, that I am not balancing all of these matters in proper perspective—because I think this is so important. We cannot continue to hand out survival support programs for the poor in this country. We cannot continue that forever. The only way we can put an end to that kind of a program is through building a viable minority business system. So I am deadly serious about it.

The other objection that will be raised is the objection that everybody else is going to go on a competitive bid basis; why should not the minority enterprise people go on a competitive bid basis? The answer is very simple: we cannot. We are so new on the scene, we are so relatively small that every time we go out for a competitive bid, the larger, older, more established companies are always going to be successful in underbidding us. That is an absolute truism.

The third objection that will be heard—and I can anticipate all of them—will be that this will cause a delay in getting certain projects off the ground. Indeed, it will not. It will not cause any delay because I do not know of any single State of the 50 States that under its EDA program has not already developed a roster of capable minority enterprises ready to do the job. All we have to do is go down that list of companies capable of doing the job.

I think I have raised the objections, and I think I have answered them. This is the only sensible way for us to begin to develop a viable economic system for minorities in this country, with the ultimate result being that we are going to eventually be able to pull down deficits in spending; we are going to be able to end certain programs which are merely support survival programs for people which do not contribute to the economy. I support those programs because at present we have nothing else to offer. On the other hand, I would urge adoption of my amendment because to the extent we are willing to let minorities do business with the government, we will be able to reduce survival support programs now paid for by the Federal Government. I urge the Members' support.

Mr. KAZEN. Madam Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman for yielding.

I can agree with practically everything the gentleman has said, but, as I understand his amendment, it is mandatory that 10 percent be set aside; am I correct?

Mr. MITCHELL of Maryland. That is correct.

Mr. KAZEN. All right. What happens in the rural areas where there are no minority enterprises? Will the 10 percent be held up in order to bring minority enterprises from somewhere else where there is no unemployment into a place where there is unemployment and there is no minority enterprise?

Mr. MITCHELL of Maryland. In response to the gentleman's question, the answer is "No."

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. MITCHELL of Maryland was allowed to proceed for 2 additional minutes.)

Mr. MITCHELL of Maryland. Let me tell the gentleman why that would not occur. When Presidents Nixon and Ford put out their Executive orders to all the agencies to utilize minority contractors, the agencies then established certain guidelines which said, all right, we will utilize these minority contractors wherever possible, but where there are none, there can be no utilization, and therefore no project should be delayed.

For example, I would not expect to take my minority contractors from Maryland into Idaho to meet that State's requirement. That will not be an issue.

Mr. KAZEN. If the gentleman would yield further, this is what I wanted the gentleman to clarify, that where there are no minority enterprise contractors then this provision would not be in effect; am I correct?

Mr. MITCHELL of Maryland. That is absolutely correct, and that is done by administrative action already on the books with all of the agencies.

Mr. KAZEN. Does the gentleman's amendment leave room for that type of discretion in the Secretary?

Mr. MITCHELL of Maryland. I assume that it does. It would be my intent that it would because that is existing administrative law.

Mr. KAZEN. I thank the gentleman.

Mr. ROE. Madam Chairman, I move to strike the last word.

Madam Chairman, I sympathize completely with the gentleman from Maryland and have reviewed his proposed amendment. I might want to suggest a point for consideration by the Committee. What the gentleman is attempting to do is see that there is an equitable relationship for minority contractors and suppliers to be able to participate, which I think is right and is proper.

On the other hand the way the amendment is drafted, it would indicate that the 10 percent would be set aside. I do not know where that 10 percent would be set aside. This is a very important amendment, if we would just like to think it out. I want to vote for this issue but I am pointing out some technical prob-

lems in the draftsmanship of it. To me the way this appears to be written is that if we are talking about a 10-percent set-aside, where are we talking about the set-aside?

I would appreciate it if the gentleman would join me in a colloquy. The way this bill functions now is that funds are allocated among the States depending on their respective unemployment. Under that particular posture the EDA reviews the applications coming in from the subdivisions within that State, whatever they happen to be, and they make the grant approval to the city or the community or the county before the project goes out for bid.

Mr. MITCHELL of Maryland. And that is where the set-aside occurs. Under the procedures that are now existing in many political subdivisions using Federal funds, at the time of that approval, at the time of the submission of the request from the local political subdivision by way of illustration EDA simply says:

O.K. It looks awfully good to us. We would recommend that you set aside 10 percent for minority contractors.

Indeed, this occurs, if my distinguished chairman will listen, many times.

Mr. ROE. Oh, he is listening.

Mr. MITCHELL of Maryland. This occurs even before any submissions are made, very often, by agencies. The agency will say:

O.K. We are about to embark on this program in your district. We would ask you to adhere to a set-aside.

And that becomes a part of the original guidelines, and then the State or city or the county takes the responsibility of actually carrying out the set-aside operation, not EDA.

Mr. ROE. May I build on that. That sounds good in theory, but let me tell the gentleman how it works. There are many States that have prohibitions in their constitutions or they require, for example, that a particular community, say X community, was awarded a grant for some project by EDA, and they then have to take that grant and go out to public bidding. The contractors, the prime contractors have to bid on that public bid. I do not know how we can say, and I am just asking how the gentleman's thought processes go, if we have say five contractors that want to bid and the minority contractor has a bid which is higher than any—is the gentleman suggesting that the contract then would have to be awarded to the highest bidder because he is the minority bidder?

Mr. MITCHELL of Maryland. Oh, no.

Mr. ROE. That is what this amendment says.

Mr. MITCHELL of Maryland. It does not say that or operate in that fashion at all.

My State of Maryland has a proviso requiring competitive bidding. In addition to that proviso my State of Maryland, without benefit of law, has suggested to the agencies:

Why do we not do something to try to bring minority businesses into government participation?

It further suggests that of all the contracts that are let, x percent should be

set aside to be handled on a noncompetitive basis for minorities. That is an administrative action. It is not the law of Maryland but it is one way, one means by which we are able to move toward solving the problem in my State.

Mr. ROE. I think the question raised by the other gentleman who brought it out is that we are only looking for an answer, and the question raised is that in many areas of the country we do not have minorities. We do not have a minority problem at that point. We are trying to understand the gentleman's amendment and how we can apply it uniformly across the country, because the way it is written now it automatically does apply and there would be a 10-percent set-aside at every level of government. This is the way it appears to be written. Then we would come back and say, whether it is a State or a county or a municipal project, that 10 percent of the contracting and 10 percent of the supplies would have to be secured from a so-called minority contractor at that point.

Mr. MITCHELL of Maryland. Let me clarify one issue. It is 10 percent of the contracts and/or supplies. That gives a great deal of leeway to the governments, so that if they do not have minorities capable of providing the supplies, they have got people capable of performing the contracts. That is the first point I want to make.

The second point, and I reiterate what I said earlier, that we already have in existence within the agency structure the SOP administrative law that says this kind of amendment would not apply where there are no minority contractors or where there are no minorities. It is already in the law.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

(By unanimous consent, Mr. ROE was allowed to proceed for an additional 3 minutes.)

Mr. ROE. Madam Chairman, that does not hold on the point of law. If there is an administrative director, let me tell the gentleman, that in this bill we have made very careful adjustments to meet what were the minority interests. We did have a group of people from the civil rights group and minority interest groups.

Mr. MITCHELL of Maryland. Madam Chairman, if the gentleman will yield further, I applauded the gentleman for his interest in that direction.

Mr. ROE. I know the gentleman did.

I think we have to allow elbow room in the amendment to make it workable.

I have a suggestion for an amendment which I would like to discuss with the gentleman from Maryland which is something in words to the effect:

Except to the extent that the Secretary determines otherwise, no grant shall be made under this Act for any local public works project unless the applicant gives satisfactory assurance to the Secretary that at least 10 percent of the amount of each grant shall be expended for minority business enterprises. For purpose of this paragraph, the term 'minority business enterprise' means a business at least 50 percent of which is owned by minority group members or,

And then it takes in the rest of the gentleman's language.

What the gentleman is saying here is that they are mandated to go to 10 percent where the material and supplies are available and the contractors are available; but if we get into an area where they are not available, we have another problem. We have to go to another State to get those people in.

Does the gentleman see what I am getting at?

Mr. MITCHELL of Maryland. Madam Chairman, if the gentleman will yield further, if my understanding of the gentleman's amendment is correct, I am inclined to accept it, if that would help clarify the matter of not importing minority contractors and businesses from another State.

Mr. ROE. Madam Chairman, that is exactly what I am saying.

Mr. MITCHELL of Maryland. Madam Chairman, if the gentleman will yield further, that is acceptable with the caveat that there must be a mandate, because, I say to the Members of the House, every agency of the Government has tried to figure out a way to avoid doing this very thing. Believe me, these bureaucracies can come up with 10,000 ways to avoid doing it. That is why I am insisting it be mandated.

Mr. ROE. Well, my amendment can accomplish both goals. We are saying each grant shall be expended for minority enterprises. We are mandating it in this amendment.

Mr. MITCHELL of Maryland. Madam Chairman, if the gentleman will yield further, if my understanding is correct, I willingly accept the gentleman's amendment.

Mr. ROE. We want to make it clear.

Mr. MITCHELL of Maryland. Madam Chairman, if the gentleman will yield further, I think the local municipalities should have the right to utilize minority enterprises and his amendment will support that right.

Madam Chairman, I accept the amendment to my amendment.

AMENDMENT OFFERED BY MR. ROE TO THE AMENDMENT OFFERED BY MR. MITCHELL OF MARYLAND

Mr. ROE. Madam Chairman, I offer an amendment to the amendment offered by the gentleman from Maryland (Mr. MITCHELL) and ask unanimous consent that it be adopted.

Mr. HARSHA. Madam Chairman, reserving the right to object, I would like to know exactly the language of the gentleman's amendment.

The Clerk read as follows:

Amendment offered by Mr. ROE to the amendment offered by Mr. MITCHELL of Maryland: In lieu of the Mitchell amendment insert the following:

Page 3, in lieu of the matter proposed to be inserted after line 7, insert the following: "(2) Except to the extent that the Secretary determines otherwise, no grant shall be made under this Act for any local public works project unless the applicant gives satisfactory assurance to the Secretary that at least 10 per centum of the amount of each grant shall be expended for minority business enterprises. For purposes of this paragraph, the term 'minority business enterprise' means a business at least 50 percent of which is owned by minority group members or, in case of a publicly owned business, at least

51 percent of the stock of which is owned by minority group members. For the purposes of the preceding sentence, minority group members are citizens of the United States who are Negroes, Spanish-speaking, Orientals, Indians, Eskimos, and Aleuts."

Mr. ROE. Madam Chairman, I ask unanimous consent that the wording of the amendment may be corrected so that after the word "amount" insert the word "of" and after "in case of" insert the word "a" and correct the spelling of the word "Eskimos".

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

Mr. HARSHA. Madam Chairman, reserving the right to object, may I further inquire, the language I have says:

Except to the extent that the Secretary determines otherwise, no grant shall be made under this Act for any local public works project unless the applicant gives satisfactory assurance to the Secretary that at least 10 percent of the amount of each grant shall be expended for minority business enterprises.

Does this mean each and every grant?

Mr. ROE. Madam Chairman, if the gentleman will yield, that is what the amendment of the gentleman from Maryland (Mr. MITCHELL) said originally. What we are saying in this amendment, wherein that is not possible to comply with, because different regions in the country do not have minorities concentrated in the construction trades and it would not apply.

Mr. HARSHA. Does the gentleman mean by the language which says to the extent that the Secretary determines otherwise, that that gives the Secretary the authority to set aside this provision for their own minority business enterprises?

Mr. OBERSTAR. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Madam Chairman, I think that is part of the gentleman's amendment, to give the Secretary the authority to determine in a place where there is no minority enterprise.

The CHAIRMAN. Without objection the Clerk will re-report the amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. ROE to the amendment offered by Mr. MITCHELL of Maryland:

Page 3, in lieu of the matter proposed to be inserted after line 7, insert the following:

"(2) Except to the extent that the Secretary determines otherwise, no grant shall be made under this Act for any local public works project unless the applicant gives satisfactory assurance to the Secretary that at least 10 per centum of the amount of each grant shall be expended for minority business enterprises. For purposes of this paragraph, the term 'minority business enterprise' means a business at least 50 percent of which is owned by minority group members or, in case of a publicly owned business, at least 51 percent of the stock of which is owned by minority group members. For the purposes of the preceding sentence, minority group members are citizens of the United States who are Negroes, Spanish-speaking, Orientals, Indians, Eskimos, and Aleuts."

The CHAIRMAN. Is there objection to the unanimous-consent request of the

gentleman from New Jersey to amend the amendment offered by the gentleman from Maryland?

Mr. HARSHA. Madam Chairman, reserving the right to object, I want to try to clarify this.

Do I take it now that this language, the gentleman feels, gives the Secretary the authority to exempt a particular project from this provision if there is no minority business enterprise within the project area or within the employment area?

Mr. ROE. It appears to me that what we are saying here is that no grant shall be made under this act for any public works project unless the applicant gives satisfactory assurance to the Secretary that at least 10 percent of the amount of each shall be expended for minority business enterprises, meaning suppliers or whatever; however, if that situation does not prevail and the minority business people are not in that area, then the Secretary has to make a judgment on it.

Mr. HARSHA. Then who certifies whether or not there is a minority business enterprise available with the material needed in a project?

Mr. ROE. Well, the way this proposed amendment to the amendment is written, it would have to be determined by certification, I think, from the applicant. Then, any question that would arise in the Secretary's interpretation—

Mr. MITCHELL of Maryland. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. It seems to me that the distinguished gentleman from New Jersey has resolved the major part of our dilemma.

The CHAIRMAN. The gentleman will suspend. Does the gentleman from Ohio object to the unanimous-consent request of the gentleman from New Jersey?

Mr. HARSHA. I still reserve the right to object.

The CHAIRMAN. Rather than proceed under the gentleman's reservation of objection, the Chair will treat the amendment offered by the gentleman from New Jersey to the amendment offered by the gentleman from Maryland as pending and proceed under the 5-minute rule, so that debate can then take place in the proper way.

Mr. HARSHA. Well, I want to clarify this, Madam Chairman, because the report may include in this such minority groups as Indians, and we have already set aside 2½ percent for Indians. How much more are we going to give Indians? We are talking about 10 percent of \$4 billion, which is \$400 million. I want to get to that point. I do not want to object to the gentleman offering his amendment, so that we can get rid of this issue.

Madam Chairman, I withdraw my reservation of objection.

#### PARLIAMENTARY INQUIRY

Mr. ROE. Madam Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROE. Is it possible for others who desire to do so to reserve the right to object?

The CHAIRMAN. The Chair will put the question on the amendment offered

by the gentleman from New Jersey to the amendment offered by the gentleman from Maryland, unless further Members desire to debate the issue under the 5-minute rule.

The gentleman from New Jersey (Mr. ROE) is recognized for 5 minutes on his amendment.

PARLIAMENTARY INQUIRY

Mr. HOWARD. Madam Chairman, I have a parliamentary inquiry.

The CHAIRMAN. Does the gentleman yield for a parliamentary inquiry?

Mr. ROE. Of course, Madam Chairman, I yield to the distinguished gentleman from New Jersey.

Mr. HOWARD. Madam Chairman, I would ask the Chair if unanimous consent was granted for the amendment offered by the gentleman from New Jersey to be before the House.

The CHAIRMAN. That was not necessary. It is still an amendment to an amendment which is pending business to be voted on by the committee.

Mr. ROE. Now that we have settled that down, let us get to the issue.

Mr. HARSHA. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Ohio (Mr. HARSHA) to pursue the point further.

Mr. HARSHA. I thank the gentleman for yielding.

Madam Chairman, I am just trying to clarify what we are doing here. I have no objection to the purpose of the gentleman from Maryland, but in fairness to everybody concerned, we are setting aside 10 percent of this authorization, which is for \$4 billion, which is \$400 million. We have also set aside specifically for the Indians 2½ percent of the total authorization. If we are going to set that much more aside, it seems to me we are getting to a percentage which is going to discriminate against the rest of them.

Madam Chairman, I recognize the validity and the merit of what the gentleman from Maryland is saying, that if we are going to have minority contractors they have to be able to compete. In many instances they cannot compete against established contractors. On the other hand, if we set aside 10 percent of the sum here for minority contractors, then we get a number of contractors that are not minority contractors but who hire minorities, and they then are deprived of bidding on that 10 percent.

How do we resolve the issue of discrimination?

Mr. ROE. Madam Chairman, I think the gentleman is striking at an important point. We must remember the facts. More mistakes are made due to lack of facts than due to poor judgment.

We have set aside 2½ percent for Indian tribes. There is no provision in the law as presently constituted which says that the person working for the Indian tribe has to be an Indian. He can be an Oriental, or somebody else. I do not think that clouds the issue.

Let us take the second point of when we are talking about companies held by minority groups or 51 percent held by stock groups. Certainly people of a variety of backgrounds are included in that. That is not really a measurement. They

are talking about people in the minority and deprived.

What we are saying here, basically, is that the Secretary can determine if this provision or proposal can be implemented in the given area. If we do not have Spanish-speaking people, Negroes, Orientals, Indians, Eskimos or Aleuts, then he has to make that judgment.

The only thing I can see is that the applicant who has the project, in the first place, has to give satisfactory assurance to the Secretary that at least 10 percent of the amount of each grant shall be expended for minority business enterprises. It does not talk about whether it is the contractor, necessarily, or the supplier. Some part of the enterprise would be oriented toward that group. That is what the amendment says.

Mr. HARSHA. If the gentleman will yield further, that is the crux which I was trying to get at. There are many areas where this cannot apply, and I would not want to deny an area a project certainly because of the fact that they did not have a minority enterprise available or could not provide the material, the equipment, contractors, or what have you, from the minority groups.

If I interpret the gentleman's explanation of it correctly, the gentleman has assured me that that will not occur.

Mr. ROE. That is my understanding.

Mr. DON H. CLAUSEN. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Madam Chairman, as the gentleman knows, referring to these contracts, they are handled like contracts in any other political subdivision under the EDA program as far as sharing, and so forth. But there is one question that comes to my mind after listening to the gentleman from Maryland (Mr. MITCHELL).

The gentleman indicated, if I understood him correctly, that they have worked out their problem administratively in the State of Maryland. If this resolves their problem in the State of Maryland, why should we clutter up the legislation for the balance of the country if in fact his situation in the State of Maryland has been worked out through the administrative processes of the State of Maryland?

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. ROE) has expired.

(On request of Mr. MITCHELL of Maryland and by unanimous consent, Mr. ROE was allowed to proceed for 5 additional minutes.)

Mr. MITCHELL of Maryland. Madam Chairman, will the gentleman yield to me?

Mr. ROE. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Madam Chairman, I thank the gentleman for yielding.

In response to the query of the gentleman from California (Mr. DON H. CLAUSEN), let me point out that I am very pleased with the rate at which my State and my city happen to be moving in terms of solving this problem. We have not reached the millennium by any means, but I think we are moving well.

On the other hand, I think we must look at other States and cities around this country that have not really addressed the problem at all and do not have any lever on which to hang an operation designed to begin to redress this grievance that has been extant for so long.

For example, it is my belief that in the State of Michigan there has not yet been a movement toward set-asides, even on an administrative basis. There are other States in which that situation obtains. By setting the tone at the Federal level, I would point out to the gentleman, what we do in terms of these local political subdivisions is to give them the added impetus to do those things which are right and fair.

Mr. CONYERS. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from New York.

Mr. CONYERS. Madam Chairman, I would like to comment to some extent on the apparent resolution that this body is working toward between the proposal offered by the gentleman from Maryland (Mr. MITCHELL) and the amendment as perfected by the gentleman from New Jersey. There are two points that ought to be made clear.

First of all, minority contractors and businessmen who are trying to enter in on the bidding process—and my office is replete with examples of this—get the "works" almost every time. The bidding process is one whose intricacies defy the imaginations of most of us here. The sad fact of the matter is that minority enterprises usually lose out, and subsequently end up in a congressional office or some other unlikely place complaining bitterly. Not all of them come to the offices of members of the congressional Black Caucus either, because many other Members have had the same dismaying experience of trying to give solace to small businessmen who through no fault of their own simply have not been able to get their foot in the door.

The second point, and one that is very critical, is the fact that this amendment does not jeopardize any application in any Member's district or community where there may not be in existence a minority enterprise element in that community. We have in the amendment the language that specifically allows the Secretary to exclude them from application, so if the district does not have black businessmen, it does not mean that the applications will be delayed or denied; it simply means that the provisions of the amendment will not apply in that situation.

Mr. PEASE. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Ohio.

Mr. PEASE. Madam Chairman, I would like to support this general concept. I have a very fine minority contractors association in my county that I have been working with, and I would like to see a workable proposal.

I would like to ask first, if I may, how this fits in with the competitive bidding process and the requirement of the State law in many States that bids must be let to the lowest and best bidder.

Mr. ROE. Well, they would have to be let to the lowest and best bidder, but as part of that bid, when there are subcontractors and what-have-you, 10 percent of it would have to relate by certification to the fact that they are dealing with a minority interest.

Mr. PEASE. Madam Chairman, if the gentleman will yield further, what happens if in the bidding process there do not happen to be any minority enterprises as the low bidders in any of these areas?

Mr. ROE. Madam Chairman, they are going to have to buy their material, that is, 10 percent of their material and services, from minority enterprise businessmen.

Mr. PEASE. Madam Chairman, if the gentleman will yield for one more question, the idea of this bill is to get public works projects moving as quickly as possible in order to stimulate the economy.

Does the gentleman have any idea at all as to how long it would take for the administrative requirements of the Secretary reviewing these situations and what kind of a delay that would cause in the letting of these contracts?

Mr. ROE. No. I would not presume to try to answer because I do not know. I think it is a sticky issue. The fact remains that it is a movement which merely says that 10 percent will participate in minority enterprise and minority business.

I think in view of the fact that the originator of the amendment, the gentleman from Maryland (Mr. MITCHELL), has gone along with what seems to be a reasonable compromise is in itself significant. We are saying, "If the Secretary shall determine." In other words, there is movement there. There is movement to set up a provision in the rules and regulations; and this committee is going to oversee those rules and regulations and is going into the document itself when it is presented to it.

Mr. HAMMERSCHMIDT. Madam Chairman, I move to strike the last word.

I rise in support of the perfecting amendment of the gentleman from New Jersey (Mr. ROE) to the amendment of the gentleman from Maryland (Mr. MITCHELL).

I believe that the concerns expressed by our ranking minority member (Mr. HARSHA) in the colloquy with the gentleman from New Jersey (Mr. ROE), the chairman of the subcommittee, cleared up any apprehensions that I had and which several of us may have had over the way in which this amendment would be administered.

Therefore, Madam Chairman, with that cleared up, I am ready to support the amendment.

Mr. BIAGGI. Madam Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from New York.

Mr. BIAGGI. Madam Chairman, I rise to indicate my full support of the amendment offered by my distinguished colleague from Maryland as amended by the gentleman from New Jersey (Mr. ROE). I consider the amendment wholly complimentary to the bill as its objective is to guarantee to minority business enter-

prises that they too will benefit from the passage of this legislation.

This Nation's record with respect to providing opportunities for minority businesses is a sorry one. Unemployment among minority groups is running as high as 35 percent. Approximately 20 percent of minority businesses have been dissolved in a period of economic recession. The consequences have been felt in millions of minority homes across the Nation.

What the amendment seeks to do is guarantee that at least 10 percent of all funds in this legislation will go to contracts which will be awarded to minority business enterprises. This is not an unreasonable demand—in fact it is quite modest. If implemented however it could have great benefits to the entire minority community. Fiscal year 1976 figures indicate that less than 1 percent of all Federal procurement contracts went to minority business enterprises. This is a situation which must be remedied.

The objectives of this legislation are both necessary and admirable. Yet without adoption of this amendment, this legislation may be potentially inequitable to minority businesses and workers. It is time that the thousands of minority businessmen enjoyed a sense of economic parity. This amendment will go a long way toward helping to achieve this parity and more importantly to promote a sense of economic equality in this Nation.

Mr. SISK. Madam Chairman, today, we consider legislation designed to reduce a substantial amount of our national unemployment. I am deeply worried, however, that whatever efforts we may undertake—such as this proposed legislation—will be completely useless. Our unemployment problem—despite our best efforts to create jobs—will still remain and will in fact get far worse. Unfortunately, for every one of the 800,000 public service jobs created by President Carter's economic proposals, at least two illegal applicants will be competing with each jobless American citizen.

A minimum of 1.7 million people illegally entered and stayed in American last year, looking for work which would otherwise be available to Americans. Another 400,000 people were admitted as immigrants. And finally, 1.3 million Americans were added to our population last year.

These figures may seem insignificant. But taken together, they result in ominous facts. America is now growing by greater numbers than any other nation in the world—except for China and India. We add each year 3.6 million people to our country, equivalent to the combined populations of Alaska, Wyoming, Vermont, Delaware, Nevada, North Dakota, and South Dakota. We are, in a sense, adding seven States to our Union each year. And that number is dramatically increasing each year.

According to Mr. Tom Braden in an article in the Washington Post of February 12, 1977, the U.S. population has been swollen by at least 5 million illegal immigrants in the past 5 years. Within 10 years, according to the environmental fund, the United States will be adding over 12 million people annually if present

trends continue, a number just a few million less than the number of people being added to India each year. By 1986, for example, the United States would approach a population of 300 million. In just 47 years, the U.S. population would double to almost 450 million people.

In short, Madam Chairman, the United States may very soon have the highest population growth rate in the world, even though our birth rate has declined substantially. Illegal immigration is rapidly changing the face of this Nation. It is raising serious questions of civil liberties and law enforcement. It is changing our schools and communications. And it is propelling us toward what Mr. Braden describes as a "separatist language system and a population larger than environmentalists believe we can sustain." And it is costing the U.S. taxpayer over \$16 billion annually.

But no one seems to care to do anything about it. For example, while President Jose Lopez Portillo of Mexico and President Carter recently had extended discussions on relations between our two nations, the problem of population growth and illegal immigration was hardly dealt with. And it is rapid population growth which is at the heart of Mexico's extreme poverty, her 40 percent or more unemployment and our substantial illegal alien problem.

Mr. James Reston of the New York Times commented on this in a February 18 column. He wrote that the two leaders could "not really deal with these problems so long as Mexico's population growth outruns its industrial and agricultural production and its ability to produce jobs at living wages for the millions of Mexican's who are entering the United States illegally." Unfortunately, both the United States and Mexico refuse to acknowledge that they both have a population problem.

Madam Chairman, in 1900, Mexico contained 13 million people, with over 5 acres of arable land to support each of its citizens. But today, it has over 63 million people, increasing at 3.8 percent a year, with much of that increase simply leaving for the United States. And Mexico now has only 1 acre of arable land from which to support each of its citizens.

Mexico's population, at current growth rates, will double in less than 20 years. In the lifetime of a child born today, Mexico could become a nation with as many people as China has today. Obviously, since Mexico cannot adequately support even her present population, most of these people will look elsewhere for food, shelter, and work. And most of them will come to the United States.

In conclusion, Madam Chairman, in our efforts to create jobs for the almost 10 million Americans out of work, as well as to help deal with Mexico's substantial economic and agricultural problems, population growth and illegal immigration must be high on the agenda of this country as serious problems that must soon be dealt with now.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. ROE) to the

amendment offered by the gentleman from Maryland (Mr. MITCHELL).

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. MITCHELL), as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. STARK

Mr. STARK. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STARK: Page 3, line 7, strike out the quotation marks and the final period.

Page 3, after line 7, insert the following:

"(g) No grant shall be made under this Act for any project for which the applicant has not given assurances satisfactory to the Secretary that the project will be designed and constructed in accordance with the standards for accessibility of transportation and public facilities to the handicapped and elderly under the Act entitled 'An Act to insure that certain buildings financed with Federal funds are so designed and constructed as to be accessible to the physically handicapped', approved August 12, 1968 (42 U.S.C. 4151 et seq.)."

Mr. STARK. Madam Chairman, I am offering an amendment to section 1 of the Local Public Works Capital Development and Investment Act of 1976.

My amendment is really very simple. It would require that grants be awarded only to projects for which the applicant has given satisfactory assurances that the project will be designed and constructed in accordance with the standards for accessibility of transportation and public facilities to the handicapped and the elderly. A similar amendment was offered yesterday by Chairman RANDOLPH in the Senate Environment and Public Works Committee and was unanimously adopted.

One out of every 11 Americans is handicapped as a result of a physical or mental condition which limits some of their activities. For most of these people, the curbs, stairways, doors, et cetera, that are a simple part of everyday life for us present difficult and sometimes insurmountable barriers.

The Federal Government has dealt with this problem in such legislation as the Architectural Barriers Act of 1968 and the Rehabilitation Act of 1973. However progress has been slow, and for most handicapped Americans job hunting, sightseeing, et cetera, continues to be an unfair exercise in frustration.

Many people have already benefited from the local public works program. And many will benefit from the use of facilities being constructed and renovated. Certainly, the handicapped and the elderly deserve to share in these benefits. My amendment would provide additional assurance that they do. I urge your support.

Mr. ROE. Madam Chairman, will the gentleman yield?

Mr. STARK. I yield to the gentleman from New Jersey.

Mr. ROE. Madam Chairman, the committee has seen the gentleman's amendment. We think it is splendid and further clarifies the intent of our commit-

tee. Therefore, the majority side accepts the gentleman's amendment.

Mr. HAMMERSCHMIDT. Madam Chairman, will the gentleman yield?

Mr. STARK. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Madam Chairman, I agree with the chairman of the subcommittee. We, too, have examined the gentleman's amendment. We think it is appropriate, and we thank him for bringing it to the floor.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. STARK).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. KINDNESS

Mr. KINDNESS. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KINDNESS: Page 5, immediately after line 21, add the following new section:

"Sec. 113. Notwithstanding any other provision of this Act, 2 per centum of all amounts authorized to carry out this title shall be available only for making grants to States and local governments for projects for the replacement or reconstruction of bridges on those highways which are not on any Federal-aid system. For purposes of this section, the terms 'Federal-aid system' and 'highway' have the meaning given such terms in section 101 of title 23 of the United States Code.

Page 5, line 14, strike out "113" and insert "114".

Page 5, line 22, strike out "113" and insert "114".

Page 6, line 6, strike out "113" and insert "114".

Mr. KINDNESS. Madam Chairman, we have before us a bill that I honestly have very lukewarm feelings about. The experience of the local Public Works Employment Act distribution of funds in December was one that disappointed many of us. This amendment is intended, by me at least, to try to improve the measure that is before us and to help to meet a problem that is facing, I believe, every State in the United States, that is the replacement and the repair of bridges. That is something that has not really been provided for very well by the local governments over the years. In that respect I might say that all of the funds that are covered in this bill, or authorized in this bill, could be used, and much more, to repair and replace bridges throughout the United States that are not on the Federal-Aid Highway System. The whole amount of the money and more could be used. What I am suggesting here, though, is that 2 percent of the funds—and there were many bridge projects included among the applications that were not funded in December—would be used for those bridge projects that are not on the Federal-Aid Highway Systems.

This is a local public works employment act concept that we are talking about and this is the very local type of work that I believe needs assistance.

The gentleman from Iowa (Mr. HARKIN) will offer an amendment which goes further than this and is one that I believe has a great deal of merit, and that is extending the concept to the Federal-Aid Highway System bridges. Both are needed very much.

Remember that many of the bridges we are talking about that are within the local jurisdictions are bridges that were built in the 1930's under the WPA and PWA programs. These are bridges that in many cases have survived over those years without any substantial amount of repair, replacement or reconstruction. They are worn out.

The National Association of County Officials Newspaper of February 21, 1977 carries a front page article on the bridge crisis, pointing out problems in Pennsylvania, in Nashville and in Davidson County, Tenn., and in various other places throughout the country. There are many problems with bridges that we have yet to meet in terms of assistance that might be provided by this Congress.

Very frankly, what is proposed in this amendment is only a start. Two percent of the funds involved here will not go very far toward meeting the overall problem.

I hope we will have a look at subsequent opportunities toward helping local and State governments meet the bridge problems that face them. But right now, at this point, I think it would be not only moderate and reasonable but a very firm, constructive step for this Congress to make.

It is a policy statement, in effect, that we have got to start working away at this bridge problem. Local and State governments have this problem in a magnified degree in the off Federal-Aid Highway Systems. So that is why emphasis in this amendment is placed on that part of the problem.

The scope of the problem is large, the need is great because the safety of millions of people is at risk daily in the use of bridges that are inadequate. Can we not point toward an improvement in this problem? At least let us get a start by adopting this amendment. I would urge support for this amendment by the Members of the House.

I would just point out that although figures do not happen to be available for every State, I can point out an example in the State of Ohio in which there are a total of 31,007 bridges, out of which 7,449 are old, weak, or with a reduced load limit.

Three hundred fifty-five have collapsed since January 1968, the date of the Silver Bridge collapse. Six hundred thirty-two are closed due to weaknesses.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOWARD. Madam Chairman, I rise in opposition to the amendment.

It is true, as the gentleman stated, that there is a problem with bridges in this country. It is estimated that there may be as many as 100,000 either unsafe or structurally deficient bridges in the country. However, in the Federal Aid Highway Act of 1976, which is extended for two years, there has been placed \$180 million per year for the bridge program. This is a 75 percent Federal and 25 percent State program.

The gentleman referred to the off-system bridges that we have, and I should like to point out that in that same bill there is for each year \$200 million placed in the off-system program. This money may also be used for the improvement

or replacement of bridges on a 75-25 basis.

It also should be noted, Madam Chairman, that in any State, money that accrues from this specific legislation may be used by the States as their share in the Federal program, so that instead of the necessity of taking this money to put it in grant money to complete an entire bridge, all the State money could be used if the State so desires and sees it as its priority as only 25 percent of a bridge replacement program, calling upon 75 percent Federal money for this. So actually there is really no need for this whatever.

It is anticipated that during this Congress the Committee on Public Works will come out with its new Federal aid highway program, and this program, instead of having \$180 million per year, it is anticipated will increase the Federal Highway Trust Fund and have a program for 6 years amounting to \$2 billion per year. Therefore, I want to point out that in this bill, which is meant to reach each State so that it can meet its needs as it sees them, a lot of these bridges that need repairs would not be covered by this bill because they are not in the areas that would meet the criteria for getting grants.

Therefore, Madam Chairman, I feel that in the interest of having this bill do what it was intended to do—due to the fact that here is money on the 75-25 Federal-State matching basis for bridges, this bill could be used much better if it has the maximum flexibility so that the States may meet their priority needs and put the money where it will do the most good according to their own needs. That may very well be what the States desire in a bridge program. Therefore, I hope that we defeat this amendment.

Mr. KINDNESS. Madam Chairman, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from Ohio.

Mr. KINDNESS. I thank the gentleman for yielding.

Will the gentleman agree that there have been a great many applications for bridge projects within the December 23 deadline that are filed under this program for which there are not funds available, and which are projects that can proceed quickly and which would benefit very greatly the areas most intended to be affected by this bill?

Mr. HOWARD. That is true. I believe that this bill will be able to provide that money and some of the States will be able to use it with only a 25-percent matching share. Certainly with the additional money in this bill, I am certainly hopeful that many of the States will see to it, without our mandating an amount of funding, that it will be used for bridges. However, by the end of this Congress we expect to have a \$2 billion-per-year Federal replacement and bridge repair program.

Mr. KINDNESS. Will the gentleman yield for one further question?

Mr. HOWARD. I yield to the gentleman from Ohio.

Mr. KINDNESS. I thank the gentleman for yielding.

Will the gentleman agree that in accordance with the requirements of the local Public Works Act that is already on the books, these are projects that are ready to go right away, that is, within the 90-day period, and, therefore, we are talking about something not only consistent with legislation before us to extend the act, but also consistent with the need to put people to work?

Mr. HOWARD. Absolutely, and that would be handled without the gentleman's amendment which mandates that especially since, as he has stated, many of the States do have their request in for this bridge money under this legislation, as well as the utilization. They can take this money if they wish, and use it for the 25 percent non-Federal requirement under the regular Federal Aid Highway Program and call on that program for the remainder of the necessary funds.

I think that dollarwise would be a much wiser way for the States to utilize it. Rather than take the entire public works grant from this bill it would be wiser to take the States' money and use it as their share to get more Federal money.

Mr. HARKIN. Madam Chairman, I move to strike the last word.

I rise in support of the amendment.

I would like to engage the gentleman from New Jersey in a colloquy on this. I understand what the gentleman is saying, but expectations are one thing, and reality is another. I would like to expect \$2 billion in the next year also. But it seems what we have here is a public works bill that addresses itself to unemployment right now. The highest rates of unemployment right now are among those workers who would be directly involved in bridge repair programs, laborers, steelworkers, construction workers, and so forth.

We have a definite need, as the gentleman knows, for more bridge replacement and reconstruction programs. Under the formulas worked out in the last public works bill, and I am afraid those which will be worked out in this bill, many of the grants we applied for were in areas that were rated as 1, 2, 3, 4, 5, and down maybe through 12, and they may not have had a need for bridges in that area but they got a grant and they effectively cut out other communities and municipalities from getting grants for the repairs of bridges they may have need for.

Mr. HOWARD. I would say to the gentleman certainly a State could take as part of its share 25 percent of the cost of that and draw the other 75 percent that is available to the State under the Federal-aid highway program, and get three times the amount of money the gentleman is talking about, rather than trying to get it out of this bill under the mandating. I think it would be much simpler to do it in that way and the State would be happier because it would use only one-quarter rather than using the gentleman's amendment, where they would have to use the four quarters in this bill, if they wanted to do this.

I say that plus the fact that they do not have to do it in a deprived area.

Under the gentleman's amendment it would only come under the kind of unemployment situation in the area that comes under the purview of this bill. But if the States uses its 25 percent and draws on the Federal money it would be unrestricted because they might have their most dangerous bridge in an area that does not have that kind of unemployment. They would be much wiser to do it in that way. I think the States and local people can set their priorities best. There is \$180 million per year already in the Federal-aid highway bill on the system and \$200 million in the off system program, which would be 75 percent Federal and only 25 percent local funding.

Mr. HARKIN. In my State alone under that formula it will take about 800 years to replace the bridges.

Mr. HOWARD. We expect to have our program out before that and I doubt that. I believe the gentleman's State has its 25-percent share at this time that it can draw on.

Mr. HARKIN. Except, as the gentleman knows, there are many competing forces within a State for these funds and many times those bridges are in areas that, shall we say, do not have the kind of help to get the grant applications in for that, and the money goes to those areas that have the expertise and power.

Mr. HOWARD. Madam Chairman, if the gentleman will yield further, the gentleman would mandate that all States use that, whether that meets the priority need or not. Maybe the gentleman's State does. What about another State that says, "Our bridges are not that bad. We do not need it that drastically;" then the gentleman says we have to use it for that anyway.

Mr. HARKIN. But this is a public works bill to put people to work.

Mr. HOWARD. Madam Chairman, if the gentleman will yield further, it is to put people to work in a way that the local people in an area set as a priority for their needs, not that we say they have to put this much in it and that much in that.

Mr. HARKIN. I see no difference in 2 percent for this and 2½ percent to the Indian tribes. They are both mandates.

Mr. HARSHA. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I think we are losing sight of the fact that this is a local public works program. We have even further emphasized that fact by setting forth in legislation in the new law that we have approved that a community that files more than one application must set its priority. In other words, if they want to build a community house or if they want to build a sewer system or if they want to build a hospital or replace a bridge, they may do that; but they must tell the EDA which of those projects has the highest priority. They must rate them one, two, three, or four. If we say here we should prioritize or tell a community they should put the first emphasis on bridges, we are getting completely away from the focal point of this legislation. Neither can we alleviate the bridge problem in this country with a

public works bills, because there are 105,000 deficient bridges, some obsolete, some structurally deficient and have to be closed, some are closed.

Madam Chairman, it is estimated that the cost of repair and improvement to the bridges in this country is in excess of \$25 billion alone, so there is no way we can address the bridge program in this particular legislation; but aside from that, if a community wants to use that as its particular type of project, there is nothing to stop it. It may file an application to replace or repair that bridge.

Madam Chairman, let me point out, there are all types of projects. There are waterlines, there are streets, there are local libraries, there are courthouses, there are bridges, there are roads, there are sewer facilities, there are civic centers, there are museums, there are health facilities. If we are going to start to set aside 2 percent, or whatever percentage it is of this sum for bridge repair, how much are we going to set aside for health facilities? How much are we going to set aside for water projects? How much are we going to set aside for sewer projects? Why do the communities back home have to even file an application? We are going to tell them what their priority is. We are going to tell them what they will do. We cannot start a process for setting this aside for each vested interest.

Madam Chairman, I know the gentleman is sincere with the problem. It is a very grave problem. The gentleman has discussed this problem with me a number of times when we have been dealing with highway legislation.

I get communication after communication from county and township officials that they do not have enough money to repair their bridges, they want more money; but we cannot address all the problems of the country, all the problems of the world, so to speak, in this one piece of legislation; we cannot sit here and try to itemize or set aside a percent of funds for every particular type of project, regardless of its worth, and take away the initiative from the local community. Let us keep this a local public works program and let the localities set their priorities.

Madam Chairman, I urge defeat of the amendment.

Mr. KINDNESS. Madam Chairman, will the gentleman yield?

Mr. HARSHA. I yield to the gentleman from Ohio.

Mr. KINDNESS. Madam Chairman, is it not correct that the projects we are talking about are those that were the subject of applications submitted prior to the December 23 date of 1976?

Mr. HARSHA. That is correct.

Mr. KINDNESS. Madam Chairman, if the gentleman will yield further, so we are talking about a finite group of applications. This is where the concern comes in that I expressed in supporting this amendment. We are talking about a finite group, a group that I submit at least in my own State and probably in other States got nothing out of the first distribution of funds. Should we not at least be talking about some reasonable solution of a problem that is so serious? Here we are talking about only 2 percent.

Mr. HARSHA. I agree with the gentleman; it is a very serious problem, but I do not want to supplant my judgment for that of a State or community and tell them that they should only use so much or a percentage of this money for health facilities; so much for hospitals; so much for fire protection; so much for street repair and so much for bridge repair. I think the local people—and I know the gentleman subscribes to this theory—the local people are in a much better position to determine the priority of projects they want to build. Hopefully in this second round of funding your communities will receive some assistance under this Act, but you must understand there is only a relatively small amount of money available and the competition is keen.

Mr. HAMMERSCHMIDT. Madam Chairman, I move to strike the last word. I rise in opposition to the amendment. I want to expand on what the gentleman from Ohio (Mr. HARSHA) was discussing, and on what the distinguished chairman of the Subcommittee on Transportation and Public Works stated. They are exactly correct.

In this first round of funding, there were applications for roads, streets and bridges. There is not a breakdown for bridges, but there are applications for roads, streets and bridges in that first round of applications of over \$2 billion—\$2,000,044,000.

If a State or a community or a county decided in its wisdom that a project for a bridge was one of its priorities, and if it meets all the other criteria it will be funded. We make a serious mistake if we try to designate particular needs out of the local community for particular bridges, water and sewer projects, hospitals or anything else. So, I oppose the gentleman's amendment, even though I know that he offered it with the best of intentions.

Mr. BEARD of Rhode Island. Madam Chairman, I move to strike the last word.

Madam Chairman, I rise to support the amendment offered by the gentleman from Ohio. I feel that, judging from my own State of Rhode Island—and I brought this up when I was in the Rhode Island General Assembly about the conditions of the bridges—they are a disaster. We had the highest unemployment in the Nation last year, and we are heavy with construction workers.

I feel that this would be a step towards getting some of the work badly needed for bridges.

Mr. HARKIN. Madam Chairman, will the gentleman yield?

Mr. BEARD of Rhode Island. I yield to the gentleman from Iowa.

Mr. HARKIN. All the talk about telling local communities how they should spend the public works money is kind of comical in light of what went on in the past round, because I know that in my own State, in my district, of about the top eight or nine grant proposals that went in from my district, only one was funded because the administrative rules that came up through EDA on how to apply that money resulted in distributing it in other areas.

So, local communities really do not have the final say on what they are go-

ing to get, because the rules were set administratively by EDA. Therefore, I would oppose the gentleman from Ohio on that count.

Mr. HAMMERSCHMIDT. Madam Chairman, will the gentleman yield?

Mr. BEARD of Rhode Island. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. We realize that was so to a large extent, and that is why we made changes in this bill. We do think there will be local input on what the priority will be at the present time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. KINDNESS).

The amendment was rejected.

AMENDMENT OFFERED BY MR. EDWARDS OF CALIFORNIA

Mr. EDWARDS of California. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWARDS of California: Page 4, line 6, immediately before the first period insert the following: ", and projects using alternative energy systems".

Mr. EDWARDS of California. Madam Chairman, I wish to offer a clarifying amendment to section 2(c), page 4, line 6. The gentleman from Washington (Mr. McCORMACK) had the foresight to add in committee a provision amending section 108 of the act. That amendment requires the Secretary to give priority and preference to building project applications which will result in energy conservation. I commend the gentleman from Washington for this provision and I wish to add language specifying that the Secretary include priority consideration of projects using alternative energy systems to achieve the stated conservation goals. My amendment enunciates the growing need for serious consideration of solar, wind, and other new and developing technologies to produce energy.

Mr. ROE. Madam Chairman, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from New Jersey.

Mr. ROE. Madam Chairman, we have analyzed the phraseology of the amendment, and as far as the majority is concerned, we accept the language in the amendment.

Mr. EDWARDS of California. I thank the gentleman.

Mr. HAMMERSCHMIDT. Madam Chairman, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. We have studied this amendment, and it is acceptable to the minority. I congratulate the gentleman on offering it.

Mr. EDWARDS of California. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. EDWARDS).

The amendment was agreed to.

Mr. LEVITAS. Madam Chairman, I move to strike the last word.

Madam Chairman, I want to take this opportunity to clarify, underscore, and emphasize a certain provision of this bill. The provision I refer to is section 107 in the original 1976 act which provides that in considering the amount

of unemployment or underemployment, the Secretary of Commerce shall—and I repeat "shall"—consider the amount of unemployment or underemployment in the construction and construction-related industries.

As the author of that provision in the law, I am very concerned that it be fully implemented.

The purpose of this provision in the bill as written by Congress was obviously to give account to the fact that public works mean construction, and that gives employment to people in the construction industry. It means the utilization of contractors and the purchase of building supplies and materials. That provision has been maintained in the bill before us today. However, as a result of regulations adopted by EDA, this congressional mandate was bureaucratically ignored and, as a result, the emphasis and consideration to be given the construction industry unemployment was ignored.

We had extensive testimony before our committee this time and during oversight hearings last year which proved that these construction unemployment data are available throughout the country and that it could be easily utilized if EDA were desirous of doing so and will change their regulations to permit its utilization.

The level and rate of construction industry unemployment throughout the country is far and away above the general level of unemployment. For EDA to ignore this is not only a travesty, in terms of unemployment in the Nation, but it flies directly into the face of the mandate which Congress enacted in the last Congress and as reconfirmed in this Congress by having this provision remain in the law.

Now, Madam Chairman, I would like to address a question to the distinguished chairman of the subcommittee, the gentleman from New Jersey (Mr. ROE).

It is my understanding that oversight hearings will soon be held on the regulations adopted by EDA both under the last legislation and this legislation?

Mr. ROE. That is correct.

Mr. LEVITAS. I am wondering if I can get some assurance from the chairman of the subcommittee that he will do all in his power to assure that the Secretary does give emphasis and does give effect to the congressional mandate that will let communities applying for grants under this program to utilize the data, if available and acceptable, for the construction industry and construction industry-related unemployment.

Mr. ROE. The legislation, as the gentleman from Georgia knows, specifically says that the Secretary must give attention to those levels of unemployment in a given region as it relates to the construction trade, and certainly we will take that up.

Mr. LEVITAS. I thank the gentleman. Mr. JOHNSON of California. Madam Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from California (Mr. JOHNSON).

Mr. JOHNSON of California. Madam Chairman, I would say to the gentleman

that I agree with the remarks of the subcommittee chairman, and we will see that this will be given consideration.

Mr. LEVITAS. I thank the gentleman, and I also want to commend the subcommittee for its outstanding work in bringing this before the House today.

AMENDMENT OFFERED BY MR. BIAGGI

Mr. BIAGGI. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BIAGGI: Page 2, line 22, after the period insert the following: No grant shall be made under this Act for any local public works project unless the State or local government applying for such grant submits with its application a certification acceptable to the Secretary that no contract will be awarded in connection with such project to any bidder who will employ on such project any alien in the United States in violation of the Immigration and Nationality Act or any other law, convention, or treaty of the United States relating to the immigration, exclusion, deportation, or expulsion of aliens.

Mr. BIAGGI. Madam Chairman, I rise to offer an amendment to H.R. 11, the Local Public Works Capital Development and Investment Act Amendments of 1977. My amendment adds a very simple but extremely important requirement on those States and local governments applying for funds under this act. The requirement is that they submit with their application, a certification acceptable to the Secretary that no contract will be awarded to anyone who will employ illegal aliens.

This amendment is far more than a mere symbolic gesture. It represents a definite requirement as well as a statement of principle that this massive \$4 billion public works bill will benefit only those it should—namely, American workers.

This is not my first effort in trying to ban the employment of illegal aliens. I have introduced legislation in each of the past two Congresses to make it an immediate crime to hire illegal aliens. Unfortunately, this body chose not to act on my proposals. Today we have a real chance to come to grips with this problem by prohibiting illegal aliens from gaining access to any of the hundreds of thousands of jobs which will be created by this legislation.

There is ample justification for this amendment. At the present time according to immigration service estimates, more than 3 million illegal aliens are employed. Many hold good paying jobs which are sorely needed by American workers. This Nation has been laboring with an unacceptably high unemployment rate for the past several years. While we are the most advanced economic Nation in the world, we have millions of able-bodied men, women, and young people out of work. It is disgraceful.

This legislation is an important and significant demonstration by us and the President, that we are committed to reducing unemployment. My amendment is complimentary to the objective of this legislation in seeking to guarantee that these new jobs will go to unemployed

Americans, and not to the thousands of illegal aliens who arrive in this Nation year after year.

The illegal alien problem has received a great deal of attention in recent months from both administrations. Under the previous administration, the Domestic Council Committee on Illegal Aliens released a report citing the adverse affect of illegal aliens on the employment market and recommending sanctions be imposed against the employers of illegal aliens. The Carter administration has also made its position known. On February 15, Attorney General Griffin Bell indicated his support of legislation which would make it unlawful for employers to knowingly hire illegal aliens. His views were echoed this week by Labor Secretary Ray Marshall, who called for the creation of a special committee to deal with the illegal alien phenomenon.

What we see is a universal sense of agreement on the need to prohibit illegal alien employment. The question of course remains, how best can we achieve this goal.

I am proposing a new and very real approach with this amendment today. The amendment interpreted in its literal sense, adds a reasonable condition for States and units of local government to receive funding under this act. They must certify in a manner acceptable to the Secretary, that they will not fund any project which would employ aliens who are in violation of the Immigration and Nationality Act. The amendment imposes no criminal or civil penalties against employers—a measure which some criticize. It does not call for the mass deportation of illegal aliens already here—which some criticize. It simply provides a basic guarantee to the millions of unemployed Americans that they will have the first and only crack at gaining these public works jobs.

This represents one facet of the total solution to the illegal alien problem. Still to be discussed are ways to more strictly enforce immigration laws to prevent the relentless flow of illegals into this Nation. Included in this area is the urgent need to provide additional immigration service enforcement personnel. Still to be considered is the question of amnesty for those illegal aliens already here. These issues all will have their day in Congress. Today, we have the opportunity to take a first step in relieving the illegal alien problem in this Nation. We are dealing here with the primary incentive that draws illegal aliens to this Nation—employment.

We are considering one of the largest, single pieces of job creating legislation ever. My amendment is attempting to remove the potential for abuse in this legislation. Illegal aliens must not be permitted to compete with American citizens for these jobs.

The solutions to the illegal alien problem are both social and political in nature. But it cannot be forgotten that the problem they are creating in this Nation is primarily an economic one. The millions of illegal aliens who are here today and the millions more who wish to be here, are escaping from adverse economic

conditions in their homelands. They come here for the opportunities which this Nation provides. But we have been too accommodating and as a result, our own citizens are not sharing the wealth.

This Nation grew strong by the hands of lawful aliens who came here and who worked with Americans for a better country. Illegal aliens are different. They are here to take what they can get from this Nation, and not to improve it. Illegal aliens take jobs, enjoy all basic services, pay no taxes and create hardships for our major cities. They should not have carte blanche access to the hundreds of thousands of jobs we will be creating under this bill.

I am proud to offer this amendment on behalf of American workers. They have been waiting for such legislation to free them from the bonds of unemployment and poverty. They expect the President and the Congress to attack the unemployment problem squarely. Passage of this legislation with my amendment will be an important commitment and demonstration of our intention to deal with our most pressing economic problem—unemployment. I urge your support today.

Mr. ROE. Madam Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from New Jersey (Mr. ROE).

Mr. ROE. I thank the gentleman for yielding.

Madam Chairman, the majority side has reviewed the language in this amendment, and we have no objection to this amendment.

Mr. HAMMERSCHMIDT. Madam Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from Arkansas (Mr. HAMMERSCHMIDT).

Mr. HAMMERSCHMIDT. I thank the gentleman for yielding.

Madam Chairman, I commend the gentleman for bringing this amendment to us. I might say to the gentleman that this concern was also expressed by the gentleman from California (Mr. SISK) and the gentleman from Mississippi (Mr. LOTT). This meets with our approval on this side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BIAGGI):

The amendment was agreed to.

AMENDMENT OFFERED BY MR. JOHN L. BURTON  
Mr. JOHN L. BURTON. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHN L. BURTON: Page 2, before line 1, insert the following:

That section 102 of the Local Public Works Capital Development Investment Act of 1976 is amended by adding at the end thereof the following:

"(4) 'public works project' includes the transportation and providing of water to drought-stricken areas."

Page 2, line 1, strike out "That section" and insert in lieu thereof the following:

"Sec. 2. Section".

Remember succeeding sections of the bill accordingly.

Mr. JOHN L. BURTON. Madam Chairman, I am offering this amendment on behalf of myself and the gentleman from California (Mr. PANETTA). The purpose

of this amendment is to clarify eligibility under this act for local governments in drought stricken areas to engage in the transportation and providing of water. It is also our intention that local government applications for these purposes would be given top priority to any funding allocation within that jurisdiction. I am pleased that the amendment has the support of the distinguished chairman of the subcommittee, the gentlemen from New Jersey, and the ranking members as well as the majority of the House of Representatives.

Mr. ROE. Madam Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I would be happy to yield to the chairman of the subcommittee.

Mr. ROE. Madam Chairman, the majority has reviewed the language, and we feel that it is a refinement to our legislation. We accept the amendment.

Mr. DON H. CLAUSEN. Madam Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Madam Chairman, as the gentleman in the well will recall, he has discussed this matter with me. We are offering this amendment because the drought situation he speaks of is very real in our immediate area and all of California. So I strongly recommend to the minority the acceptance of this amendment.

Mr. HAMMERSCHMIDT. Madam Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Madam Chairman, I appreciate the fact that the two gentlemen from California, Mr. BURTON and Mr. CLAUSEN, have made this recommendation. The amendment is acceptable to the minority side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. JOHN L. BURTON):

The amendment was agreed to.

AMENDMENT OFFERED BY MR. STRATTON

Mr. STRATTON. Madam Chairman, I offer an amendment

The Clerk read as follows:

Amendment offered by Mr. STRATTON: On page 5, line 12, after the words "United States" strike out the period and insert the following: "during the initial round of funding carried out under this Act, or by a computer operated by an officer or employee of the United States during such initial round. For the purposes of this section an 'error' shall include but not necessarily be limited to a failure to award funds to a project ranked higher on the eligibility list for the initial round of funding than another project which did receive a grant of funds; and where the benchmark figure for the area to which the unfunded application was applicable had not been reached. Any funds granted pursuant to this section shall not be counted against the benchmark figure established for such areas in the follow-on round of funding."

Mr. STRATTON. Madam Chairman, I think the committee has done an excellent job in trying to correct some of the omissions and errors that occurred in the first round of funding on these various projects. But I still think that some

clarifying language is required to spell out exactly what is intended.

In particular, my amendment, which addresses itself to changes in section 111 on page 5, would spell out the fact that we are dealing not only with errors carried out by officers and employees of the United States but also errors by a computer operated by officers and employees of the United States.

In my district two counties were left out completely because somebody had improperly programed the main computer. I believe that the wording presently in the bill does not clearly cover this point, and, therefore, it seems to me that it is important that we put in the word, "computer," since most of the major decisions in that first round were, in fact, made by a computer and not by individuals or officers of the United States.

Also this amendment would spell out just what we mean by an "error," as referred to in this bill. One could get into a lot of argument when an important project is affected, so we ought to define that term. An error would be a case where a project actually ended up ahead of another on the eligibility list but was unfunded while the one that was below it on the eligibility list was funded. That is what we would regard as an "error" under my amendment. That is precisely what occurred with Albany County projects in my congressional district during the last go-round.

Finally, my amendment would provide that when errors of this sort are responsible for special consideration of certain projects and when 1½ percent of the allocation is set aside for them, the money so designated would not be counted against the benchmark figure or the allocation—that is the language which EDA has used—for that particular area. So in the second round of funding that particular area would not have to suffer because of the money that goes into the taking care of these earlier errors.

Madam Chairman, I think this is a worthwhile amendment, and I urge its adoption.

Mr. ROE. Madam Chairman, I rise in opposition to the amendment.

Madam Chairman, I have to object to this particular amendment because I understand what the distinguished gentleman from New York (Mr. STRATTON) is attempting to do, I think; however, we must recognize that with the changes that are being made in the formula now, basically with the local priority being determined and the 70/30 situation being eliminated, that these particular pending applications are going to have to have amendments added to them and improvements made to those applications.

Therefore, Madam Chairman, I do consider that to be an area of error. The present legislation that we have written specifically sets aside something to take care of that.

Madam Chairman, 1½ percent is set aside for the correction of any errors and any mistakes that may have been made, so that we have specifically covered that.

I think that if we get into a point of view where we are going to start writ-

ing the rules and regulations on the floor, we are going to be denigrating the intent of what the committee is trying to achieve.

Madam Chairman, I can assume the gentleman that we understand the area of his concern and that we are going to review the rules and regulations before the full committee before they are put into the register and adopted. We will take that matter into consideration and see that it is corrected as we go along.

Mr. HAMMERSCHMIDT. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Madam Chairman, the subcommittee chairman is eminently correct. We have the language in the bill that would speak to the gentleman's grievance. We did agree that 1½ percent of the funds would be set aside.

Madam Chairman, I think the language is adequate. I think the amendment would clutter up the bill.

I associate myself with the remarks of the subcommittee chairman, and I oppose the amendment.

Mr. STRATTON. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from New York.

Mr. STRATTON. Madam Chairman, I wonder whether the distinguished chairman of the subcommittee could assure me that what he has said means that if under this section a project, let us say, in the County of Albany for a \$4 million construction undertaking at the State University College in Albany is approved out of that 1½ percent, that \$4 million will not then be applied against the total allocated to Albany County.

Mr. ROE. Madam Chairman, the gentleman is absolutely correct. That is a specific set-aside to accommodate these legitimate errors that might be made and would not denigrate or take away from the new benchmark under the provisions of the bill.

Mr. STRATTON. Madam Chairman, if the gentleman will yield further, I am satisfied with that explanation by the chairman. I appreciate it.

Mr. GARY A. MYERS. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. Madam Chairman, I have some concern in this area. I think there is some fuzziness as to what is meant by this provision. The situation, I think, is not clear as to whether or not projects which were submitted last December and were rejected in error would be ranked on the basis of the statistics that were in place at that time and not be required to make an update and compete on the basis of the new statistics. That is where the evaluation would be made; is that correct?

Mr. ROE. The gentleman's interpretation is correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. STRATTON).

The amendment was rejected.

AMENDMENT OFFERED BY MR. PHILLIP BURTON

Mr. PHILLIP BURTON. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIP BURTON: Page 2, before line 1, insert the following:

The paragraph (2) of section 102 of the Local Public Works Capital Development and Investment Act of 1976 is amended by striking out "and American Samoa." and inserting in lieu thereof the following: "American Samoa, and the Trust Territory of the Pacific Islands."

Page 2, line 1, strike out "That section" and insert in lieu thereof the following:

"Sec. 2. Section".

Renumber succeeding sections accordingly.

Mr. PHILLIP BURTON. Madam Chairman, this amendment merely clarifies the definition of a State to include what I am sure was an unintended omission of the Pacific Trust Territories.

Mr. ROE. Madam Chairman, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to the distinguished gentleman from New Jersey.

Mr. ROE. Madam Chairman, I thank the gentleman for yielding to me and would state that the majority on the committee accepts the language of the gentleman's amendment.

Mr. DON H. CLAUSEN. Madam Chairman, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to my colleague the gentleman from California (Mr. CLAUSEN).

Mr. DON H. CLAUSEN. Madam Chairman, may I say that I have chaired silently the Subcommittee on the Pacific Trust Territories along with the gentleman from California (Mr. PHILLIP BURTON) and I would strongly urge the committee to accept his amendment.

Mr. HAMMERSCHMIDT. Madam Chairman, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Madam Chairman, again, acting on the statement made by the gentleman from California (Mr. DON H. CLAUSEN) and the gentleman from California (Mr. PHILLIP BURTON), I accept the amendment.

Mr. PHILLIP BURTON. Madam Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. PHILLIP BURTON). The amendment was agreed to.

AMENDMENT OFFERED BY MR. CAVANAUGH

Mr. CAVANAUGH. Madam Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. CAVANAUGH: Delete section 2(A) and insert in lieu the following:

Subsection (a) of section 108 of the Local Public Works Capital Development Act of 1976 (Public Law 94-369) is amended by inserting immediately after "Not less than" the following: "three fourths of One Per Centum"

Mr. CAVANAUGH. Madam Chairman, this amendment addresses itself to a grave and unreasonable inequity that has arisen in this legislation. I believe by inadvertence and in an attempt to address itself to a legitimate problem.

Section 2(b) of H.R. 11 provides that 2½ percent of all amounts appropriated will be granted to Indian tribes. If we assume a funding level of \$4 billion, then Indian tribes across the Nation will have a \$100 million fund for which they will all compete on an equal basis. There are two basic reasons for the inclusion of this section. First, hearings of the committee clearly established that there is an extremely high rate of unemployment on western Indian reservations and, second, it is generally agreed that Indian tribes siphoned off substantial funds from local governments during the first round of competition at the end of 1976.

Section 2(a) of H.R. 11 provides that each State that does not have an Indian tribe will receive a minimum of three-fourths of 1 percent of all funds. If we assume a \$4 billion funding level, any State that does not have an Indian tribe and whose unemployment level is below the national average will receive three-fourths of 1 percent of all funds or, in the case of a \$4 billion appropriation, \$30 million.

Because of section 2 (a) and (b) a problem exists. The problem simply demonstrated is this: The State of Nebraska, which has an unemployment rate below the national average, under H.R. 11 will receive one-half of 1 percent or \$20 million, based on its rate of unemployment. That \$20 million will be competed for by all units of local government within the State. Additionally, there is one Indian application which would, most likely, successfully compete for funds in the Indian set-aside. Therefore, the State of Nebraska can potentially realize \$20,900,000 from this legislation as drafted.

The State of Alabama, which has an unemployment rate below the national average, does not have an eligible Indian tribe living within its borders. It, therefore, under section 2(a) of H.R. 11, will be eligible to receive a minimum of three-fourths of 1 percent of total funds, or \$30 million, assuming a \$4 billion funding level. Alabama will benefit to the tune of \$10 million, because it does not have any Indian tribes and that is the sole and only reason that Alabama will have a preference over other States.

There are nine States similarly situated who will receive an excess appropriation to that of other States or one-quarter of 1 percent, based on statistics I have received, the justification being they do not have Indian tribes in their States. This I believe seems to be a clearly indefensible method of dispersing these funds and I would urge the adoption of the amendment.

Mr. FLIPPO. Madam Chairman, will the gentleman yield?

Mr. CAVANAUGH. I yield to the gentleman from Alabama.

Mr. FLIPPO. Madam Chairman, may I say to the gentleman from Nebraska that Alabama is not under the minimum.

Mr. CAVANAUGH. I was not aware of that.

Mr. FLIPPO. I would suggest the gentleman consult the record and I believe he will find that Alabama is not.

Mr. CAVANAUGH. Then, Madam

Chairman, my statistics are inaccurate in that regard. But the facts are still the same. I will say that Alabama will not be receiving the minimum but will still be benefited. Therefore, leaving out the possibility of Alabama, there would be seven States from the statistics that I have been provided.

Mr. ROE. Madam Chairman, I rise in opposition to the amendment.

Madam Chairman, what the gentleman from Nebraska is saying is that we have a very specific problem that has emerged relative to the Indian tribes which are located through 26 States, if my memory serves me correctly. What happened was because the Bureau of Indian Affairs does not keep their unemployment statistics on the same basis as the Bureau of Labor Standards, as far as the Nation is concerned that before we put an arrangement in for this set aside in the funds as part of the State's funding of money that was allocated in the first round, that the level of unemployment was higher in the Indian tribes, because they count everybody from 16 years up and higher.

The second point that the EDA added is a test in the legislation that had a mean level income average. In view of the fact that the Indian tribe's income ran somewhere between \$200 and \$300 per year, it meant that the preponderance and the priority of the funds allocated to Indian States went to the Indian tribe. Consequently, Madam Chairman, on that basis, that is the reason that it is under the States that we are in competition with the Indian tribes who lost out on that particular issue. What we did by setting the set-aside aside for the Indian tribes was to take that responsibility off the allocation that was allocated to each one of those particular States that does have Indian tribes, in which case that would mean that they would have additional funds made available to them. So with regard to the request of the gentleman, I realize his position, but we have set aside \$50 million for the Indians. We have taken that burden off the States that have Indian tribes in their particular districts, and I think that the amendment should be defeated.

Mr. CAVANAUGH. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. I thank the gentleman for yielding.

The gentleman understands that I do not object to the set-aside for the Indian tribes. The substance of my amendment is an objection to enriching States that have no Indians. What the provision says in section 2 is that a State that has no Indian tribes and is suffering minimum unemployment or below minimum unemployment will be entitled to receive one quarter of 1 percent more than a State that has minimum unemployment and has an Indian tribe.

Mr. ROE. I thank the gentleman for yielding. The gentleman is talking about setting aside \$50 million for the Indian tribes that are in those Indian States, so it is not the fact that we have denigrated the funding for those 13 States.

We came back and said we are providing a whole pot for the Indian tribes to be able to do their particular work in their respective States—and these are based on the unemployed in those respective States, too. If there is a particular State, for example, that is a \$10 million State—which is the point the gentleman is making—and let us assume that they have \$16 million worth of Indian valid applications, which is not counted against their particular \$10 million, it means that that State could receive as much for its citizens up to \$26 million.

Mr. CAVANAUGH. If the gentleman will yield, Madam Chairman, that is not the case in any State. In Idaho, Kansas, and Mississippi, they are minimum States that have Indian tribes. They have no applications pending and, therefore, will receive nothing in terms of Indian funding. In addition to that, because of the simple fact that they have Indian tribes residing within their States, they will not receive the one quarter addition. Yet their neighbor Arkansas will receive its one quarter more for the simple reason that they have no Indian tribes residing within their State. In Nebraska, Wyoming, and Utah, the grants pending are: Nebraska, \$900,000; Wyoming, \$1.7 million and in Utah, \$800,000. Even if those applications are granted, what I am saying is those States are still suffering a penalty, because the States that do not have Indian tribes, and for the pure and simple reason that they have no Indian tribes, they will receive one-quarter of 1 percent more than the States of Nebraska, Wyoming, and Utah. That is unreasonable and indefensible.

The States of North Dakota, Montana, and Maine also have Indian tribes but their applications have already been accepted.

Mr. ROE. If it is my time, and it is my time, I would like to suggest to the gentleman that I appreciate his warmth and his point.

The fact still remains we have been attempting to be as equitable as we can and we have literally tried to help those States where the Indian tribes are considered an integral part of the labor force of those States, and we put in \$50 million to help those States. Now the gentleman is coming back and saying we are unjust and unfair. I fail to see the gentleman's rationale.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska (Mr. CAVANAUGH).

The amendment was rejected.

Mr. PANETTA. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I would like to add my voice to those today who have expressed their support and admiration for the work done by the Public Works Committee, under the chairman of the committee, the distinguished gentleman from California (Mr. JOHNSON), and under the chairman of the Economic Development Subcommittee, the distinguished gentleman from New Jersey (Mr. ROE). The subcommittee heard more than 100 witnesses and developed what I believe to be a much improved local public works program.

In addition, I would like to say that I am greatly pleased with the changes the committee has made in the allocation guidelines for additional authorization. Specifically, I would cite the following changes:

First. Only those who have previously applied will be eligible for the increased authorization.

Second. The unemployment statistics used in the formula will be based on a 12-month, rather than a 3-month period, which will allow fluctuations in unemployment to be taken into consideration. This is particularly significant for rural areas, where employment is seasonal.

Third. The new guidelines require that all funds now go only to areas above the national average in unemployment. The previous guideline allowed 30 percent of the funds to go to areas below the national level of unemployment.

Fourth. Applicants are now allowed to indicate their own priorities for funding when they submit more than one application.

Fifth. Areas must now use only the unemployment statistics from their own immediate jurisdiction, which will eliminate manipulation of such statistics.

Madam Chairman, I would like to ask the distinguished gentleman from New Jersey (Mr. ROE) if there is in the bill any special consideration for the many areas of the Nation that have suffered greatly from drought, cold, snow, and flood. It would seem reasonable that this bill, which is designed to provide immediate assistance to specially targeted areas of economic suffering, should take into account applications from designated emergency or disaster areas.

In California alone, estimates of agricultural unemployment resulting from the drought run to 48,000 jobs, with a minimum \$3 billion loss in the agricultural industry. When the secondary impact on related industries is computed, the figures run to 144,000 jobs lost and a \$9 billion loss to the State's economy. Economists consider these figures conservative.

Department of Agriculture studies of soil moisture indicate a similar loss in Washington, Oregon, Idaho, and the great Red River Valley areas of the Midwest. My colleagues from Kansas, Iowa, and Wisconsin, among others have been deeply concerned about the impact of the drought on their States' farms.

Needless to say, the suffering of the Northeast during this winter has been immense. Unemployment due to natural gas shortage and snowfall has effected the diverse States of Florida, New York, Michigan, and many others. Between October 1976 and the present 417 emergency areas in 13 States and 132 disaster areas in seven States have been designated by the Federal Government.

Madam Chairman, I would respectfully say that it is my hope that some special consideration will be given to assisting these areas under the Local Public Works Act. I feel strongly that this bill is ideally suited to helping to alleviate the aggravated primary and secondary unemployment in these areas.

Mr. SNYDER. Madam Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Kentucky.

Mr. SNYDER. Madam Chairman, I appreciate the gentleman's comment about both the drought and unemployment problems and his support of this bill. I also support the bill. I am cosponsor of this bill and a companion bill, H.R. 12. As a member of the Public Works Committee, I would like to know what the gentleman thinks about the Auburn Dam being taken out of the budget by the administration these past 10 days. That was one of our best solutions to the drought. We are coming here with a bill to create jobs and they are knocking out 19 ongoing projects where people are employed. It seems as though the administration wants to create unemployment by eliminating 19 projects so they can hire those unemployed by jobs created under this legislation.

I am not trying to put the gentleman on the spot, but I think it is time to point out the inconsistency of this legislation with what the administration did this past week. I would also point out that California's drought problem would be greatly alleviated by the Auburn Dam which they want to knock out.

Mr. PANETTA. I thank the gentleman. Without reference to any specific public works project, my point is related to the bill as it relates to the basic problem of the suffering caused by the drought.

Mr. ROE. Madam Chairman, I listened to the gentleman's adroit presentation and I share his concern. What has happened, and as the gentleman from Ohio said a while ago, is that everybody is interested in this particular bill and is trying to get the camel's nose under the tent. We have \$20 billion worth of applications and 22,000 applications. We need \$20 billion—but let me polish that up. The huskies in Alaska in the snow are fighting over their bits of meat. There is only so much money to go around. The State of California by the efforts of the people we are talking about here received the largest quantitative dollars out of this past bill, \$250 million. I believe the gentleman is a Californian. If we are successful in getting this bill through with the funding for it, the gentleman's State will receive another half billion. They will be receiving something like 12½ percent of the entire funding.

I would suggest that if we could reach out a hand to New York and New Jersey, I hope the gentleman will be with me when we bring up another bill that has another amendment that is going to cut down California and cut some others. What are we trying to do in that? We are trying to provide equity.

AMENDMENT OFFERED BY MR. STRATTON

Mr. STRATTON. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STRATTON: On page 4, line 6, strike out the period, and insert a semicolon, and add the following: "except that each county with a population in excess of 50,000 and with an unemployment rate as determined by this section in excess of the national average, shall be awarded at least one such project."

Mr. STRATTON. Madam Chairman, I want to make another effort, if I can, to offer an amendment that I think will help to improve the bill and will correct some of the errors that we encountered in the first go-around. The committee, as I said, has done a good job. They have made some eliminations and some improvements; but I am afraid that under the formula that the committee has come up with we are still likely to see most of the money in this bill directed toward the very large cities, the city of New York, the city of Buffalo in my own State, for example. And very little to smaller areas, more rural areas.

The chairman has just indicated the amounts of money that are going to California and probably most of that will go to its largest cities, too. But we also have other areas that are suffering from severe unemployment too. Those are covered by my amendment.

I think one of the major objections to this legislation when it first went into operation was that so much of the money handed out was concentrated in areas with large populations and so little went to communities that did not have the population of New York, or the population of Buffalo. They were left out entirely. It seems to me if we are going to develop a truly national program, then we have to provide this help to some extent around the whole country.

Madam Chairman, this amendment of mine would simply provide that where we have a county of substantial size, over 50,000, and with an unemployment rate above the national average, at least one project ought to be funded in that county. So that will insure that not all the money is going to be concentrated in one area, and areas which have serious unemployment problems, as we have in Amsterdam, N.Y., for example, will not have to say once again "Why didn't they consider us?"

We have to remember that this is a bill for all America and not just for the big cities.

Mr. ROE. Madam Chairman, I rise in opposition to this amendment.

I would like to point out to my friend, the gentleman from New York, and the rest of the Members that are here, I know the hour is getting late; but if there ever was a committee that worked their bottoms off for 2 years in developing equity in the first bill and which worked for 6 days, day and night, to create equity in this situation, it was Public Works Committee.

We do not want to pit brother against brother and city against city. Simply in this amendment we are saying categorically that every community of 50,000 or more would be guaranteed a project. That is not even what this bill is directed toward. The bill has been put together to meet the needs of regions with high unemployment and to bring in the infrastructures of our cities and towns and counties; so this would be denigrating and further reducing the effect of this legislation.

Madam Chairman, I recommend this amendment not be approved.

Mr. OBERSTAR. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Madam Chairman, if ever there was an amendment that guaranteed the title or the label of pork barrel legislation, this is it. If this body wants to go on record as supporting pork barrel, then support this amendment. That is not the purpose of this legislation, and I do not think that is what this body wants to do. Nor do I think that is what the gentleman from New York intends with his amendment, but that is what it will be called. We are trying to combat unemployment. Let us defeat this amendment and stay with the central purpose of directing funds where they are needed most in areas of high unemployment.

Mr. HAMMERSCHMIDT. Madam Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Madam Chairman, I want to associate myself with the remarks of the chairman, to say that this committee worked long and hard in an effort to be fair to all. I think the agency did, too. One indication is the agency's promulgation of their criteria in establishing a benchmark to preserve equity.

Madam Chairman, I oppose the amendment.

Mr. STRATTON. Madam Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from New York.

Mr. STRATTON. Madam Chairman, I resent the implication of the gentleman from Minnesota (Mr. OBERSTAR) that there is any pork barrel aspect to a county which may have 14 or 15 percent unemployed, as does the County of Montgomery in my State of New York. The whole point of this bill is to get help into counties where there is large unemployment. But under the original bill—and I do not see how the formula has been materially changed—it is not just the percentage of employment, but also the total numbers of unemployed people.

The people who are unemployed in Montgomery County are just as important, just as unemployed, just as much in need of help, as the people in the city of New York. But because they have got 400,000 unemployed in New York City, the money under the bill as it now stands tends to go into that area rather than into a smaller but equally affected rural area such as Montgomery County.

My amendment tried to correct that. I do not see anything else in this bill that would eliminate that kind of gross inequity. It has got nothing to do with a pork barrel. This amendment is designed to help people in smaller areas.

Mr. HAMMERSCHMIDT. If I may recapture my time, of course I did not mention pork barreling in my remarks.

Mr. STRATTON. I appreciate that. My remarks were not directed to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Let me remind the gentleman that to establish project selection, if the gentleman recalls, the agency set up four basic criteria. One was the numbers of unemploy-

ment; one was the rate of unemployment; one was the per capita income, and the other was on the labor intensity of the project.

With that criteria, they tried to determine equity. Then, they gave bonus points for other criteria. They may not have done the best job possible, and that is why we are rewriting this bill to a large extent. We hope that we can speak to the gentleman's concerns in this bill, but I do think his amendment is not the right approach.

Mr. STRATTON. If the gentleman will yield further, it was precisely because that particular formula had proved to be inequitable that I am offering this amendment, because I do not see any way in which the revisions which your committee has made really direct themselves to the particular problem of ignoring rural, upstate counties that have a lot of unemployment but not vast numbers of people.

Mr. HAMMERSCHMIDT. We did two very important things. We took out the 70/30 percent split, and we took out section 108(f), which allowed gerrymandering. Also, more than that, as the chairman of the full committee and the chairman of the subcommittee have assured us, we are going to have hearings so that we can continue to monitor this program. We do not know fully what the project criteria will be, but this amendment certainly brings to our attention the gentleman's concern, and it will be considered as they develop those criteria.

Mr. STRATTON. I hope the gentleman will approve it in the bill itself.

Mr. GILMAN. Madam Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from New York.

Mr. GILMAN. Madam Chairman, I thank the gentleman for yielding to me. I want to commend the committee, first of all, for bringing forth this measure and for incorporating many of the suggestions made by the Members who appeared before the committee. However, I would like to rise in support of the amendment offered by the gentleman from New York, who has made a very important point for those of us who live in areas outside of metropolitan regions, and where there has been a disparity and inequity in the distribution of funds for this important purpose. I think the gentleman's amendment is worthy of consideration and would help cure that inequity.

I urge my colleagues to give it appropriate consideration.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. STRATTON).

The amendment was rejected.

Mr. KETCHUM. Madam Chairman, I move to strike the last word.

Madam Chairman, one of the most serious shortcomings of public works programs as an antidote to unemployment is the difficulty of determining where aid should go. In my estimation, H.R. 11 lends itself to just such a problem.

There are many good claims for aid, from widely differing communities; how can we decide which claim is the strong-

est? Are we to put the need of a community with a high unemployment rate above that with a community with a declining industrial base, such that it faces almost total unemployment in the near future? Is a small community with a high unemployment rate deserving of the same aid as a large community with a lower unemployment rate? Questions such as these abound.

The operation of the present public works impact program has suffered from these problems. The Department of Commerce, in its "Final Report: An Evaluation of the Public Works Impact Program," estimated that fully 18 percent of the areas designated for assistance in fiscal year 1973 had unemployment rates less than the national average. In 1972, 25 percent of the areas given aid were better off than the average for the Nation.

It is only natural that when communities are faced with this kind of discrepancy—which is unavoidable because of the magnitude of the task—they air their grievances. Such is the case with numerous applicants in the 18th District of California.

The Commerce Department agreed that a good many of the rejected projects were of as high quality as those it approved. However, the applications received totaled well over \$20 billion with only \$2 billion to spend on the program. I am hopeful that, should this legislation pass, these meritorious projects which were denied funding in the original allocation of money will be reconsidered in a more equitable manner.

In the end, I do not quarrel with the stated intent of this bill—to create jobs, stimulate the economy, and eventually produce more revenue to balance a bloated Federal budget. The problem remains that this additional authorization of funds for public works projects will produce none of these salutary goals, but rather will eventually add to inflationary pressures, reduce the amount of capital available to businesses, and create an intolerable amount of deficit in the Treasury.

We have before us a bill which authorizes an additional \$4 billion, which the Government does not have, for State and local government public works projects. This lunatic method of solving our unemployment is exactly what we do not need. What is essential are some true and effective solutions which will really solve our national economic problems. We must return to a balanced budget. We must encourage capital formation by private industry which will create permanent, meaningful jobs. That is the program we need to follow, and I shall vote against H.R. 11 on the principle that more Government spending and more inflation can never cure what such policies have already caused—a period of massive recession.

Mr. BOLAND. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, I have waited patiently all afternoon. I thought I would wait until the very last moment to talk about an amendment that I was considering offering to this bill.

I had drafted an amendment which would make it clear that the distribution of funds within a State would be done on a geographical basis. I do this because of the way the funding was committed in Massachusetts under the Public Works Employment Act of 1976. My distinguished colleague and friend from Massachusetts (Mr. CONTE) and myself represent the entire western part of the Commonwealth.

In the distribution of some \$52 million under the Public Works Employment Act of 1976, only one project for a small town in western Massachusetts was funded for \$200,000. All of the rest of the money went to the central or eastern part of the State or the southeast part of the Commonwealth—an incredibly unfair distribution.

The gentleman from Massachusetts (Mr. CONTE) and I represent about 130 cities and towns in the western part of Massachusetts. It was my intention to offer an amendment to this bill which would make it mandatory that there would be a geographical distribution of the funds within the State—everything else being equal—looking at what the approved projects are and then having the Secretary of EDA review those projects that are approved and say, "Now, where are they located within the particular State?" and then determine whether some parts of the State have been left out. That would seem to me to be a fair way of distributing the funds.

My understanding is that the formula now in this bill probably takes care of that problem. I would address my remarks to the distinguished chairman of the subcommittee, who, incidentally, in my judgment, has done a magnificent job, not only this year, but last year on the public works bill. I am wondering whether he would like to comment on my observation.

Mr. ROE. If the gentleman will yield, I think what the gentleman has stated in the observation of the last go-around regrettably is a story which we encountered in other States, as the gentleman knows. I think the fact that we have taken out a lot of the elements that gave it a 70 percent/30 percent gerrymandering situation has cleared up a lot of that.

I think the gentleman is correct that there should be an equitable distribution on a benchmark basis for the counties, and for the States, and for the cities. That is what the agency is working for, to get a reasonable and equitable distribution. We support that. We are going to review those rules and regulations before they are printed and promulgated, and we will take the situation into consideration.

Mr. BOLAND. Madam Chairman, I wonder whether or not it would be the position of the distinguished chairman to say that, having arrived at the applications which could be approved, the Secretary really ought to take a look at the geographic distribution of the funds. This kind of a revision within the State itself would result in a fair and equitable geographic distribution of those funds.

Mr. ROE. If the gentleman will yield, I think the gentleman's point is well

taken. One of the gravest criticisms we received during the testimony and in this debate we have had is that there should be some judgmental value used that makes some commonsense, and we will move in that particular direction.

Mr. BOLAND. I thank the gentleman. Mr. LATTA. Madam Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. I thank the gentleman for yielding.

Madam Chairman, I want to say that I support the gentleman's position. I am glad to hear the chairman say that they will take this matter into consideration, because in our State we had some districts that did not get a dime the last go-around.

I think we have to look at this from a geographic standpoint because, in my judgment, this is really not a jobs bill, it is a public works bill, when you get right down to it, and this should be spread around the State and not be put in one spot.

I support the gentleman's position.

I thank the gentleman from Ohio for his remarks.

Mr. CONYERS. Madam Chairman, I move to strike the last word.

Madam Chairman, I would not have taken this time, except for the previous colloquy, which I think needs to be put in some form of balance.

My experience with the subject, I say to the gentleman from Massachusetts (Mr. BOLAND), who is a friend of mine, is that in Michigan we have precisely the reverse situation, where the city of Detroit had 45 applications, only one of which was granted on the basis of the criteria that would have given them at least a third of those 44 or 45 applications. To me it looked as if that is exactly what they did; they looked around the State and said, "We are going to drop these grants on some kind of a geographical basis," and this was done without any real regard for the criteria that I think has been important to the improvement of this bill.

So the gentleman's problem, I think, could be best addressed by examining whether the criteria was precisely and accurately followed or not. If it was not, I join with the gentleman in his grievance. However, we should not ask those areas that would be entitled to more grants than other areas on the basis of the criteria that we have so carefully defined and reevaluated in this legislation to give up their prerogatives. We should not say that they should get fewer grants than they are entitled to merely because we want to have a map that shows that revenue sharing is a concept that is applied to a public works bill.

Madam Chairman, I think I should at this point end these balancing remarks to the gentleman's commentary.

AMENDMENT OFFERED BY MR. GARY A. MYERS

Mr. GARY A. MYERS. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GARY A. MYERS: Page 4, strike line 18 and insert in lieu thereof the following: amended to read as follows:

"(f) Eighty-five per centum of all amounts appropriated to carry out this Act shall be granted for public works projects submitted by State or local governments given priority under clause (1) of the first sentence of subsection (c) of this section. The remaining 15 per centum shall be available for public works projects submitted by State or local governments in other classifications of priority."

Mr. GARY A. MYERS (during the reading). Madam Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GARY A. MYERS. Madam Chairman, this amendment would simply provide that there would be an 85 percent-15 percent split, similar to the provision of the previous bill which had a 70 percent-30 percent split.

In other words, communities with unemployment levels above the national average would share in the funds at a level of 85 percent of the funds coming into the State, and those communities which have had unemployment rates above 6½ percent up to the national average would have the means available to compete for the remaining 15 percent of the funds. We should not confuse this amendment by any means that the local communities would have to commit 15 percent of the project cost. That is another issue and not contained in this amendment.

I think it is important to point out that, although it has been implied on the floor here today that we have corrected all the problems of the 1976 bill I do not think we have.

I think it takes considerable thought to realize that the 70-30 split was not the key to the problem that we found existing with the last bill. In fact, there was a good rationale and good reasoning for going to the 70-30 split, and it was simply this: It was felt that communities that suffered an unemployment rate of 6½ percent up to the national average certainly had a basic unemployment problem, and that if we did not have some sort of a provision whereby they could share in the funds, it would be difficult to get all the Members of the House to say to the people in their areas that they are going to be able to compete fairly for at least some of the money in this bill.

There are at least some Members who will say that since we have eliminated the 70-30 split and the external gerrymandering, that is going to do away with all our problems. The Members will remember that I offered an amendment earlier today that would have eliminated the possibility of internal gerrymandering, identifying an area of highly concentrated unemployment. I think if that had been adopted, then we would not need the 85-15 percent split, and that it would in fact have been a more equitable bill and I would not have offered this amendment.

However, by virtue of the fact that we have allowed that gamesmanship to con-

tinue in this bill, I think we have to say to those communities that cannot gerrymander around and find a small section of their area that has 40 or 50 percent unemployment that they can get some funds.

Madam Chairman, as it now stands in this bill, there is a very good likelihood that many communities are going to be automatically excluded from fair competition because they will not be able to make that gerrymandering requirement.

Madam Chairman, the gentleman from Massachusetts just expressed some concern about a number of his communities not being able to get funding under the last bill. I think that it should be pointed out that if, in fact, EDA sees some desirable projects down the list of applications they are not going to have any flexibility in which to go down the line with a few projects and pick out some projects that might be highly desirable from the standpoint of community projects and from the standpoint of overall employment, both immediate and long-term employment.

Therefore, Madam Chairman, if, in fact, we do not provide some set-aside or some split here, we are saying to EDA, "You cannot exclude a project in favor of another project even if the project is desirable except for unemployment concentration."

There will be some worthy projects of smaller communities, particularly those which will not be able to establish the high concentration of unemployment which would probably not have the slightest chance of being funded.

Mr. HARSHA. Madam Chairman, I rise in opposition to the amendment.

Madam Chairman and members of committee, one of the provisions of the 1976 public works bill that caused so many problems and so much consternation among the several witnesses who appeared before the committee was the fact that there was a mandatory 70-30 split. That provided that 70 percent of the money went to those areas having unemployment of 6.5 percent and above the national average and further mandated that 30 percent of the moneys should go to those areas having unemployment below the national average, but above 6.5 percent.

Madam Chairman, the effect of that provision in the law meant that certain areas in a State which were fortunate enough not to have unemployment above the national average still received money for projects, while a neighboring community in that same State was denied money because of the severe competition among the highly unemployed areas for the 70 percent money.

Consequently, Madam Chairman, in order to remove that inequity, the committee struck out the 70-30 provision. Now this is an effort to reimpose a similar circumstance by setting forth an 85-15 percent provision, mandating that 15 percent should be reserved for those areas with lower unemployment than that of the areas with the most unemployed, the more critical areas.

Madam Chairman, I say to the Members that if the 70-30 was bad, the 85-15 is just a little bit worse. It is like the old

story that one cannot be just a little bit pregnant.

If the one formula is bad and we turn it down to make it just a bit less troublesome, that does not alleviate the situation or does not remedy the problem.

Madam Chairman, it is extremely difficult for Members who have communities involved in this program to see one community with unemployment of only 6.5 percent or 7 percent get a project, while another community, because of the severe shortage of funds and the extreme competition in this program for the 70 or 85 percent money, cannot get funded.

We tried to obviate that problem by striking it out, and now to reimpose the same problem on the administration, to a lesser degree, seems to me not to resolve the problem at all.

Therefore, Madam Chairman, I would urge the defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. GARY A. MYERS). The amendment was rejected.

Mr. PATTISON of New York. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, we all agree that the intent of the legislation we are considering today is to provide quick-start jobs in areas of high unemployment. This is a much-needed program which is a vital element of our economic recovery package and the benefits provided by these funds are large.

As we review the potential of this bill, however, I believe it is important to consider also the long-term benefits that this type of program could provide. We could possibly double the impact of our funding if we gave additional weight to long-term economic stimulus during project selection. This factor would not conflict with the expressed intent of the program. Rather, it would complement our efforts by helping hard-pressed communities not only now, but in the years ahead.

H.R. 11 contains specific provisions which highlight the importance of planning and the need to set priorities. I support these provisions. In particular, the provisions are: First, an amendment to put emphasis on the need to recognize plans and programs for improving social as well as economic conditions; second, a provision requiring a State or local government to submit as part of its application its priority ranking whenever it submits more than one project; and third, an amendment requiring the Secretary to give priority and preference to those building projects which will result in conserving energy, including but not limited to, projects to redesign and retrofit existing public facilities for energy conservation purposes.

In hearings conducted on this bill it was pointed out time and time again that EDA should evaluate a project based on its potential stimulus to the economic welfare of an area. The provisions I noted seem to indicate that it is the legislation's aim to encourage extended advantages in project selection.

I hope that my interpretation of these provisions is an accurate one. I would urge EDA to make full use of these funds

by favoring projects that provide both immediate jobs and long-term economic benefits to needy areas.

AMENDMENT OFFERED BY MR. SHUSTER

Mr. SHUSTER. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHUSTER: Page 5, after line 3, insert the following:

"Sec. 111. Notwithstanding any provision of this Act, other than subsection (a) of section 108, amounts appropriated after the date of enactment of this section to carry out this title shall be allocated by the Secretary among the States not later than the 30th day after the date of enactment of such appropriation on the basis of the ratio that the average number of unemployed persons in each State during the 12-month period ending on the date of enactment of such appropriation bears to the average number of unemployed persons in all the States during such 12-month period."

Page 5, line 4, strike out "111" and insert "112".

Page 5, line 14, strike out "113" and insert "114".

Page 5, line 15, strike out "112" and insert "113".

Page 5, line 22, strike out "113" and insert "114".

Page 6, line 6, strike out "113" and insert "114".

Mr. SHUSTER. Madam Chairman, this is a very simple amendment. It provides that the basis for awarding the funds shall be the ratio of the average number of unemployed persons in each State to the overall average number of unemployed persons in all the States.

This is the fairest possible distribution of funds. It puts the money where the unemployment is. Unfortunately in the first round of the jobs bill, the first \$2 billion that was awarded, some States did not receive their fair share. In fact, 26 States did not receive their fair share. Some States received \$178, for example, per unemployed person while other States received over \$700 per unemployed person.

If this is distributed proportionately to the unemployed, each State would get about \$265 per unemployed person.

The Members may hear that this disturbs the carefully honed formula developed by the Committee on Public Works and Transportation. I would point out this is not so. After the money is allocated to the States on the basis of the number of unemployed in the States, then the formula—that carefully honed formula—developed by the Committee on Public Works and Transportation does apply in its entirety: severity of unemployment within a State is considered; priority is given to the applicants who have an unemployment rate which is above the national average; then, thereafter priority is given to those applicants who have unemployment between 6½ percent of unemployment and the national average and, indeed, the minimum guarantee of the small States is totally undisturbed and the formula applies once the money goes to the State.

As I say, 26 States gain, but they only gain fairly, based on the proportion, their proportion, to the total number of unemployed. Listen carefully, here are the States who gain from this particular amendment:

Alabama, Arizona, Arkansas, Colorado, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Minnesota, Mississippi, Missouri, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin.

In addition, there are 17 States which receive the same amount of money, which are in no way affected by this amendment, and those States which continue to receive the same amount of money are:

Alaska, Delaware, District of Columbia, Hawaii, Idaho, California, Maine, Montana, Nevada, Nebraska, New Hampshire, New Mexico, North Dakota, South Dakota, Utah, Vermont, and Wyoming.

So in the interest of what is fair and justified, those 17 States as well could support this very same amendment.

I appreciate that there are those here today whose States will lose, and they will lose because they do not have the same proportion of unemployment.

I realize, I appreciate, and I respect the fact that those Members who are going to lose because they do not have the unemployment to justify it will perhaps vigorously oppose this amendment. There is talk of a so-called Moynihan amendment coming over from the Senate because New York will benefit from that. There is talk of other amendments which might be offered to water this down, but I say even though my own State of Pennsylvania would gain further by the so-called Moynihan amendment of which the Members may be hearing in a few minutes, I say it is not as fair; it is not as equitable because it does not provide the funds on the basis of a proportion of unemployed in each State to the total number of unemployed. Therefore, this is a simple amendment. It is a fair amendment, and it does, I again emphasize, permit that finely honed formula developed by the Committee on Public Works to function in its entirety within the States, once the money goes to the States. So I urge the adoption of this very fair amendment.

Mr. WYLIE. Madam Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding.

I am in receipt of a letter from the Honorable James A. Rhodes, Governor of the State of Ohio.

Madam Chairman, I will make a unanimous-consent request in the House that this letter be included in the RECORD. Meanwhile, I would like to read the third and fourth paragraphs of the letter from Governor Rhodes:

I suggest that appropriations be allocated to States on the basis of each State's share of the total national unemployment. To base this allocation on State unemployment rates wrongly supposes that labor market boundaries follow State boundaries. EDA's allocation system resulted in Michigan receiving approximately \$407 per unemployed person. Ohio's share was about \$176 per unemployed person, and the national average was approximately \$275. Based on my suggestion and the \$275 per unemployed person average, Ohio would have received over \$30 million more than actually received under the recent Public Works program.

It is important to focus the funds on areas which are hardest hit by unemployment; but this focusing should be done within States, recognizing realistic labor market areas, rather than between States.

Does that language fairly state the gentleman's position?

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. SHUSTER was allowed to proceed for 2 additional minutes.)

Mr. SHUSTER. Yes, it does state the gentleman's position with the one exception that my amendment does not knock out the minimum guarantee to the small States. Otherwise it precisely addresses the problem that the gentleman's Governor addresses.

Mr. WYLIE. I thank the gentleman for his explanation, and I support his amendment.

The letter is as follows:

STATE OF OHIO,  
OFFICE OF THE GOVERNOR,  
Columbus, Ohio, February 16, 1977.  
HON. CHALMERS P. WYLIE,  
U.S. House of Representatives,  
Washington, D.C.

DEAR CHALMERS: I am writing in regard to the public works portion of the economic stimulation package presently being considered by Congress. You will recall that I suggested some changes in the implementing regulations which the Economic Development Administration promulgated for Title I of the Public Works Employment Act of 1976 (PL 94-369). My letter to you dated September 22, 1976 contained those suggestions, which were not accepted by EDA.

I am offering a similar set of suggestions now, with the thought that they may be effected through Congressional action rather than administrative rule making. We now have actual experience rather than intuition upon which to base these suggestions.

I suggest that appropriations be allocated to States on the basis of each State's share of the total national unemployment. To base this allocation on State unemployment rates wrongly supposes that labor market boundaries follow State boundaries. EDA's allocation system resulted in Michigan receiving approximately \$407 per unemployed person. Ohio's share was about \$176 per unemployed person, and the national average was approximately \$275. Based on my suggestion and the \$275 per unemployed person average, Ohio would have received over \$30 million more than actually received under the recent Public Works program.

It is important to focus the funds on areas which are hardest hit by unemployment; but this focusing should be done within States, recognizing realistic labor market areas, rather than between States.

There is another point to consider. The Public Works Employment Act of 1976 created some very high expectations among local units of government. In Ohio, over 1200 applications totalling well over \$1 billion were prepared. National figures indicate \$24 billion worth of applications were filed for this \$2 billion program.

I thank you for your interest and cooperation concerning our previous suggestions, and hope that this information will be useful as you consider the economic stimulus proposals and their impact on Ohio.

Sincerely,

JIM RHODES,  
Governor.

Mr. ANDERSON of Illinois. Madam Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Madam Chairman, I would like to commend the Public Works Committee, particularly the Subcommittee on Economic Development, for conducting such a thorough inquiry into the Local Public Works Capital Development and Investment Act of 1976. I would also applaud the subcommittee for its well conceived amendments to this \$4 billion extension of the act, which we are considering here, today.

I had the opportunity to testify before the subcommittee and recommend my own amendments to H.R. 11. I am pleased that the subcommittee's actions reflect many of the concerns and suggestions I raised.

However, the central thrust of my testimony was that the allocation formulas for each State should be based on the number of unemployed persons in that State.

The method for State allocations in H.R. 11, as reported from the committee, is not specified. As in the earlier \$2 billion authorization, the bill leaves it up to the Economic Development Administration to devise a formula. The formula which EDA implemented under the previous authorization proved to be quite distorted. For instance, Puerto Rico received \$716 per unemployed person while my own State of Illinois received only \$178 per capita.

I therefore support the amendment of the gentleman from Pennsylvania (Mr. SHUSTER) which stipulates that State allocations would be based on per capita unemployment. If Mr. SHUSTER's amendment is adopted, then all States, except those receiving the minimum State allotment—which will receive a larger per capita allotment—will receive approximately \$265 per unemployed person.

The gentleman from Pennsylvania's amendment will benefit 26 States, and will bring the 10 States and possessions which received disproportionately high funds into an equal standing with the other States.

Applicants for public works funds from one State should be given an equal fighting chance to receive grants as applicants from other States.

Madam Chairman, I am sure that many Members have received numerous complaints from applicants in their districts who did not receive funding. If we are serious about treating the unemployment conditions in the construction trades industry, and want to avoid the disparity witnessed with the December allocations, then we should more carefully focus these funds. With the attention now being given to regional discrimination of Federal largesse, here is an opportunity for us to strike a blow for a more equitable distribution. A vote for Mr. SHUSTER's amendment will be a vote for equiproportional distribution of these funds.

Mr. SHUSTER. I thank the gentleman.

Madam Chairman, I yield back the remainder of my time.

Mr. ROE. Madam Chairman, I rise in opposition to this amendment.

Madam Chairman, I should like to take a moment of my 5 minutes to thank all of the distinguished Members of the House who took the time to hear the debate today and for their effort and energy that our friends on both sides of the aisle have extended. However, now we are really down on it. Now the decision is how do we cut it up, and now we hear all kinds of elocution that comes back and says this is equity; this is fair play. We battle to set aside point by point to meet the needs throughout this country. We fought for 2 years through two vetoes to get this bill passed when there was nothing to fight over.

Everything we did in the amendments before had to be done on the basis of trying to have enough votes to be able to override a veto, as the last time around. Now we are sitting here trying to cast the dice over who will pick up the robe, and we will have to determine which kid in which family will be getting an income and which will not.

Here the gentleman from Pennsylvania says, "Is this not the most equitable way?" It sounds as if it may be equitable.

Let us on the other hand look at another point of view. There are now 23 States in this Nation whose unemployment compensation trust accounts are bankrupt. The fact of the matter is those States have had to borrow up to as high as \$622 million, including my own State and also the State of Pennsylvania.

But how do they keep score? They do not keep score in the Bureau of Labor Statistics on the number of people who are necessarily out of work. They do not even count those people who have run out of unemployment compensation and who are not able to collect. They do not count them. They do not count the unemployed. They do not count the people not in the labor market any more.

Here are States such as Michigan, New Jersey, and New York, three of the States with the highest levels of unemployment in this country, and now the brothers are going to cast the dice over the robe and now they are going to deprive the people in those States from having bread.

Where is the equity? Where can we come back to and say it is a simple numbers game? If we are talking about unemployment and the severity of unemployment and the issues covered in this particular bill, those provisions were written into this bill in order to be fair and equitable.

Must there always be in this House of Representatives this situation—and I say, yes, the people are going to look at this House. Must it be that it will not matter whether the thing is equitable or just? Must it be that the decision is based upon whether one can garner enough votes to be able to take home the swag? And then somebody comes along and says: "Look at what a great job I did."

But in the meantime many States will be denigrated because of the false premise being presented under this particular amendment. We ought to search

our consciences a bit and say a couple of things. We ought to say that, yes, we are going to deal with those people who have not gotten a crack at the American system. We are going to set aside for the Indians an amount because they do not get a crack at the American system.

But now we are going to cut away from those States the fair play and the justice, because somebody feels this should be the way we are going to do it.

I would say, yes, I have to vote in part and at times for my State, but I must say at times that even though it is my State I must give a part to another State.

If ever a committee worked hard to bring about equity and fair play and to bring about a balance in everything which is conceivably possible, it is the members of this committee, the Members of this House who worked on this bill.

But now where do we cast the dice? I say we ought to search our consciences as to what is right and fair. It does not mean that for every bill that comes before this House we have to sit down and say in caucus: "I am going to gain a dollar, you are going to lose a dollar," and that is what the decision is based on.

Rather our decision should be made on the basis of fairness and justice, as this bill was finely honed to do.

I say to every Member of this House this amendment is more than mischievous. It is diabolic. It ought to be voted down and it ought to be voted down overwhelmingly so we can get fair play.

Mr. CONYERS. Madam Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Michigan.

Mr. CONYERS. Madam Chairman, I think the gentleman has articulated the most important premise that has been uttered during the discourse on this bill. I think it is critical that this amendment be rejected.

I commend the gentleman on his presentation.

Mr. ROE. I thank the gentleman.

Mr. HAMMERSCHMIDT. Madam Chairman, I rise in opposition to the amendment offered by the gentleman from Pennsylvania which would change the allocation of funds to States from the 65-35 ratio of the numbers of unemployed and the excessive rates of unemployment to a ratio of 100-percent unemployment based on the numbers of unemployed in each State.

The original act speaks to the severity of unemployment, which means not only numbers of unemployed in each State, but also the rate of unemployment. Eliminating any element that would reflect the excessive rate of unemployment would be harmful to those States in greatest need.

In 6 days of hearings which the subcommittee held on extensions and revisions in the Public Works Employment Act, not one witness complained about a State's allocation nor recommended any change in a State's allocation.

The proposed amendment would have such serious inequities that some large States, even though their unemployment rates may be less than the national average, would gain in their allocations.

Madam Chairman, I find this inequitable and contrary to the purposes of the act. As was stated here earlier, I believe they said my home State of Arkansas would gain; but we are not looking at a provincial pork barrel take-home motivation in this bill. We are looking for equity across the State and trying to cure the unemployment problem on an equitable basis.

Mr. SKELTON. Madam Chairman, I rise in support of Mr. SHUSTER's efforts to prevent an inequity in the public works bill from continuing. I share his, and many of my colleagues', interest in revising the allocation formula in such a way that each State will receive funds based on the total number of employed persons in that State, rather than the unemployment rate.

While I am grateful to the members of the House Public Works and Transportation Committee, who spent many hours deliberating on this bill, in an effort to revise and improve it, and who have successfully eliminated many of the obvious administrative difficulties, I would be remiss if I did not encourage them, and the rest of the House to lend their support to this amendment. If it is the intent of this body to remove the inequities in this program and truly assist the unemployed throughout our Nation, then this particular injustice must be removed. We must prove to the ever increasing numbers who skeptically view the actions of the Congress, that we are sincerely interested in putting the money where the unemployment is.

There is no doubt that much of my concern lies with the fact that my own State of Missouri stands to improve its lot should this amendment be accepted. Missouri would have the opportunity to receive about \$265 per unemployed person rather than the minimum \$172.70 per capita unemployed which was awarded in round one. My primary objective, however, in supporting the gentleman from Pennsylvania's amendment is based on equity. I am not interested in disturbing the formula painstakingly prepared by the Public Works Committee nor eliminating the minimum guarantee of small States. Priority must be given to those areas within a State where unemployment and this amendment would not change that. My support for this necessary revision is geared to treating every unemployed person equally.

AMENDMENT OFFERED BY MR. EDGAR AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. SHUSTER

Mr. EDGAR. Madam Chairman, I offer an amendment as a substitute for the amendment offered by the gentleman from Pennsylvania (Mr. SHUSTER).

The Clerk read as follows:

Amendment offered by Mr. EDGAR as a substitute for the amendment offered by Mr. SHUSTER: Page 5, after line 3, insert the following:

"Sec. 111(a) Notwithstanding any provision of this Act, other than subsection (a) of section 108, 65 percent of amounts appropriated after the date of enactment of this section to carry out this title shall be allocated by the Secretary among all States not later than the 30th day after the date of enactment of the appropriation on the basis

of the ratio that the average number of unemployed persons in each State during the 12-month period ending on the date of enactment of such appropriation bears to the average number of unemployed persons in all the States during such 12-month period.

"(b) Notwithstanding any provision of this Act, other than subsection (a) of section 108, 35 percent of amounts appropriated after date of enactment of this section to carry out this title shall be allocated by the Secretary among those States having an average unemployment rate of 6½ percent or more for the 12-month period ending on the date of enactment of such appropriation. Such allocation shall be made not later than the 30th day after the date of enactment of the appropriation on the basis of the ratio that the average number of unemployed persons in each such State during the 12-month period ending on the date of enactment of such appropriation bears to the average number of unemployed persons in all such States during such 12-month period."

Page 5, line 4, strike out "111" and insert "112".

Page 5, line 14, strike out "113" and insert "114".

Page 5, line 15, strike out "112" and insert "113".

Page 5, line 22, strike out "113" and insert "114".

Page 6, line 6, strike out "113" and insert "114".

Mr. ERTEL. Madam Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Forty-five Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, she will vacate proceedings under the call when a quorum of the Committee of the Whole appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Chair recognizes the gentleman from Pennsylvania (Mr. EDGAR).

Mr. EDGAR. Madam Chairman, on behalf of my colleague, the gentleman from Pennsylvania (Mr. ERTEL), and myself, I offer this substitute compromise amendment to the amendment offered by the gentleman from Pennsylvania (Mr. SHUSTER).

If the Members analyze the amendment very carefully, they will discover that our compromise goes right to the heart of this particular piece of legislation. This compromise is one between the existing formula in the legislation and the amendment offered by the gentleman from Pennsylvania (Mr. SHUSTER). It provides for a distribution of funds throughout the Nation utilizing a formula that focuses in on the original purpose of this legislation.

Madam Chairman, I direct the attention of the Members to an editorial which appeared in the New York Times just this past Monday which eloquently explained

the need for a fair and equitable formula. I would like to take a moment to quote briefly from this editorial:

Structurally, unemployment has persisted through the best of times, unrelieved by such programs as public works construction. That is why Congress began to—

And this is the important part—target extra funds to areas with above-average unemployment rates, those regions which are more likely to contain pools of high-quality labor which could be put to work with little impact on wages and prices.

I think we have to be reminded that this is an antirecession bill. I think we have to be reminded that the heart of this bill is trying to put money into the areas most highly impacted by recession-related unemployment.

Madam Chairman, the Edgar-Ertel amendment would provide that 65 percent of the funds be distributed throughout the Nation based upon the total number of unemployed in each State, and that 35 percent of the funds would be distributed among those States whose rates of unemployment are 6.5 percent or above. This does not deviate from the initial purpose of the legislation. It is not a significant change from the formula currently in law and in this bill. It simply makes a slight adjustment to provide for equity throughout the States.

I would hope that we in the Congress will put this money where the need is, in those States which have the highest levels of skilled labor which is tragically idle and which have the most immediate need to put these funds to work.

Mr. ERTEL. Madam Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Pennsylvania (Mr. ERTEL).

Mr. ERTEL. I thank the gentleman for yielding.

Madam Chairman, I rise in support of this particular amendment. If we compare this amendment to the amendment presented by the gentleman from Pennsylvania (Mr. SHUSTER), we can show that this is a much more equitable amendment for the entire Nation. The amendment as presented by the gentleman from Pennsylvania (Mr. SHUSTER) only goes to the numbers of unemployed and does not go to the intensity of the unemployment. There is no consideration in this amendment for the rate of unemployment. Thus, if a State has a great number of unemployed, percentage-wise, they get no more than any other State. So, therefore, this amendment is a compromise.

Further, the Senate has agreed, in principle—at least the Committee on Public Works—with the amendment offered by the gentleman from Pennsylvania (Mr. ERTEL) and myself.

So when this goes to conference, there will be a unanimity of feeling, and this bill will then become law very quickly and get the job done, getting the funds to areas of recession and to areas where there are high rates of unemployment.

Madam Chairman, I support the substitute amendment offered by the gentleman from Pennsylvania (Mr. EDGAR).

Mr. EDGAR. Madam Chairman, I thank the gentleman for his support.

I would like to make one further com-

ment. I think it is very critical for us to enact this legislation before us and get to work as quickly as possible distributing some \$4 billion of Federal funding. We must be wary of deviating too much from the original intention of the legislation.

I think it is important to know, in light of the comments made by the chairman of the subcommittee, the gentleman from New Jersey (Mr. ROE), and by the ranking minority member of the subcommittee, that we need to find that equitable compromise, so that can provide throughout the Nation the kind of funding needed to revitalize our economy.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. EDGAR) has expired.

(By unanimous consent, Mr. EDGAR was allowed to proceed for 2 additional minutes.)

Mr. PATTISON of New York. Madam Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from New York.

Mr. PATTISON of New York. Madam Chairman, I rise in support of the gentleman's substitute for the amendment.

We should keep a couple of things in mind here. I think we have to keep in mind the fact that we are dealing here with a national problem as a national legislature, and that it is not a simple matter to find equity.

If we start dealing with this on the basis that the gentleman from Pennsylvania (Mr. SHUSTER) discusses, it would seem to me that we would start distributing money for parks, for roads, for highways, for dams, and a variety of other things which impact on certain areas of the country more than they do on other areas of the country on a per capita basis or a per-acre basis or some other basis like that. That is not a sensible way to solve the problem.

I think this approach by the gentleman from Pennsylvania (Mr. EDGAR) seems on its face to be equitable, and that the approach of the gentleman from Pennsylvania (Mr. SHUSTER) is not nearly as equitable. I think the gentleman's substitute does in fact adopt some of the approach of the gentleman from Pennsylvania (Mr. SHUSTER), and it does in fact provide a little more equity than the bill does.

Therefore, Madam Chairman, I support the gentleman's substitute, and I congratulate him for offering it.

Mr. SHUSTER. Madam Chairman, I move to strike the requisite number of words.

Madam Chairman, there are several points which I would like to make with regard to the substitute just offered.

First, perhaps this is not greatly significant, but my own State of Pennsylvania would gain more as a result of the substitute just offered. Therefore, I stand here not for any parochial interest, but I rise to oppose it because it simply is not as fair as a formula which puts the money into the States where the unemployment exists.

It has been pointed out that 65 percent under this substitute would still go to the States based on the number of unemployed in the State. However, 35

percent of the money would be set aside—and I want the Members to hear this—exclusively for those States which had 6½ percent unemployment or greater. I will ask the Members to think about that for a minute.

What it means is that there can be States or there can be areas within States which have terrible pockets of unemployment but because the entire State had an unemployment rate of under 6.5 percent, they would not get 1 penny of that 35-percent money.

This is not just simply a theory. Let us take New Hampshire, for example, which has statewide a low unemployment rate. However, there are areas of Nashua, N.H., with extremely high unemployment rates, I am told. So there is a fallacy in this 35 percent, and I am wondering about this: If we are willing to say that 65 percent of the money is fair and should be distributed on the basis of numbers of unemployed, why should it not be 100 percent?

Last, I would emphasize this: that in perusing this so-called Moynihan amendment, which indeed does benefit New York and some of the other States—and I want the Members to get this—we find that only 12 States gain from that so-called Moynihan amendment, whereas 26 States gain from the so-called Shuster amendment which we now have before us.

Mr. GARY A. MYERS. Madam Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. Madam Chairman, I ask the gentleman, with respect to the 35-percent set-aside, how will that be provided?

Mr. SHUSTER. As I understand the gentleman's substitute, the 35 percent would be set aside to be distributed exclusively to those States with an unemployment rate of 6.5 percent and above.

Mr. GARY A. MYERS. Yes, but on what percentage basis? If one State has 7.8-percent unemployment and another has 7.8 percent, what percentage of the 35 do they get?

Mr. SHUSTER. I do not know the answer to that. I do not think that the substitute directs itself to that question, but the key point is that with respect to pockets of unemployment in overall States which had low unemployment rates, they would get absolutely zero of that 35 percent and would be cut out by the statute from any consideration and from getting even one penny of that money.

Mr. SEIBERLING. Madam Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Madam Chairman, of course, Ohio and Pennsylvania are in the section of the country that has been suffering recently from the outward migration of industry, et cetera; and we are going to have to tailor make legislation to take care of this situation, just as we did in years past for the Southern States, or else we will find ourselves behind the eight ball.

Are we not creating a very bad precedent when we start down the road by say-

ing, "No, we are going to base it on per capita and are not going to look at the percentage of unemployment"?"

Mr. SHUSTER. I would like to respond to that. The per capita is not some arbitrary decision. This whole bill is aimed at the unemployment problem. What is fairer than aiming the dollars into those areas where the unemployed people are? There is no fairer way in which to distribute this money if our objective is to put the money into those areas where we have unemployment and therefore put the money where the unemployed people are.

Mr. SEIBERLING. If the gentleman will yield further, I would agree, but the principle also has to be there that the percentage of unemployment is important because we cannot just take people and move them from one State to another, willy-nilly.

Mr. SHUSTER. Madam Chairman, I am delighted that the gentleman from Ohio (Mr. SEIBERLING) made that point because again I should emphasize the severity of the percentage problem which in no way is stricken from this bill by my amendment. What it means is that the severity of the problem is demonstrated when the percentage is above 6.5 or above the national average. Those finely honed formulae from the public works bill take effect in the State when the money is allocated to the State.

Mr. SEIBERLING. Yes, but it is not between States, and that is pretty important.

Mr. SHUSTER. There is not a State in the Union which does not have high unemployment within areas of the State.

Mr. ROE. Madam Chairman, I move to strike the requisite number of words, and I rise in favor of the substitute amendment.

Madam Chairman, more mistakes are made from the lack of fact than from poor judgment.

There is no such thing in this bill at all, in either the amendment offered by the gentleman from Pennsylvania (Mr. SHUSTER), to which the gentleman from Pennsylvania (Mr. GARY A. MYERS) directed a question, or in the amendment offered by the gentleman from Pennsylvania (Mr. EDGAR) which says that there is a set-aside. There is not any set-aside.

What we are saying basically under the Shuster formula is that we take into consideration only the number of people unemployed.

In the amendment that has been presented by the gentlemen from Pennsylvania (Mr. EDGAR and Mr. ERTEL), they go back to the basics, and they make these two points: That 35 percent of that formula relates to unemployment rate and the other 65 percent of that formula relates to the numbers of unemployed.

Madam Chairman, let us not be fooled because we have so many elements in this bill so that when we start to try to change that particular formula, we are going to be in danger of denigrating one particular State.

As I said before when we are talking about principle, what was the local pub-

lic works devised for? What was it supposed to do? It was supposed to be used for the areas that have the highest levels of unemployment.

In order to provide equity in this bill we set aside \$10 million minimum for 24 other States because we said even though they did not have the high level of unemployment that they had in Illinois, New Jersey, New York, Pennsylvania, by the same token they should be eligible for part of the funding because they do have pockets of poverty in their rural towns and areas that need help.

We are coming back and saying to you that they do not count those people who are no longer on the unemployment compensation rolls because they have run out of their time to receive payments. They do not count the young people who are out of college who are not seeking jobs, they are not counted in these figures.

This bill is directed to one need, to the communities and areas who need to rebuild their infrastructures, their streets, their sewers, their water systems, and it is needed to rebuild areas of high levels of unemployment.

Or are we going to make this a subjective bill and just scatter the money to the four winds around the country?

The issue is whether or not we do this equitably and fairly. It seems to me that if we are going to do as has been said here by some of the Members on the floor, if we are going to just be passing out a dollar here or a dollar there, then we ought to go back and amend the bill, and we ought to do some other things. Let us take the \$10 million out of the funds for those who do not have the high level of unemployment as the others do. We ought to take the money out for the Indian tribes. Maybe we ought to go back and say that in the rural areas they do not have the problems that they have in the cities of America which are literally on the verge of collapsing economically. We fought 2 years for this bill. We are fighting to build the cities in New York, New Jersey and Illinois every one of those are part of America, they are vital to the strength of this country, they will determine whether our country is viable or not but they do not have the jobs that they need. Do we want to take away the \$10 million from this bill when we have people walking the streets because they do not have jobs? For every nickel we take away from the States and from the families in this bill we had better be prepared to pile up that many more millions where people are unemployed and are on welfare and on food stamps.

When do we take the resources of this country and put them back to work to create and to build?

This discussion should not be before us.

What we are saying is that we have created a formula and everyone wants to get in under the umbrella in this act, schools, private schools, jails, whatever it is, the system worked. The system works. It is the only delivery system we

have available, it is a system that works in the cities and in the rural areas and there is no delivery system that delivers as this one does. This is an accelerated program to help those areas that need the help the most.

Or do the Members think we should, for the sake of a few pieces of silver—because that is what the debate is all about, it does not have to do with equity or fair play—if we want to trade a few pieces of silver for the citizens of this country, you can do it but I urge you not to.

I urge you to vote for this amendment.

Mr. GARY A. MYERS. Madam Chairman, I move to strike the requisite number of words, and I rise in opposition to the Edgar amendment.

I think the chairman of the subcommittee made some pretty important points here. However, I come to a different conclusion than he does. It seems to me when we are talking about people who are on welfare or people who are getting benefits, and one way or another we are talking about individuals. We are not talking about percentages of people in a community; we are talking about individuals—individuals who have to get food stamps, individuals who are unemployed. That is what the Shuster amendment addresses—the number of individuals who are unemployed. So I think the chairman makes a good argument for the Shuster amendment that we ought to look at this on an individual basis and not at some figure that is based on some formula.

The chairman would also imply that these numbers of people who have quit looking for work, who are no longer figured in the unemployment percentages, are included somehow in the figures the gentleman from Pennsylvania (Mr. SHUSTER) is working with, but not included with the percentages. That is not true. They are not figured in the percentage of unemployed; they are not figured in the numbers of unemployed; so I do not really see where it can be argued that the Edgar amendment is a stronger amendment simply because some people do not go to the unemployment office any more. If they do not go there, they do not affect the Shuster amendment, and they do not affect the Edgar amendment, so I do not think that is a reasonable argument at this point.

I should like to ask the gentleman from Pennsylvania to respond to a question. I understand that the gentleman indicated that 65 percent of the funds would be allocated on the basis of the numbers of unemployed, and the remaining 35 percent would be distributed among those States having an unemployment figure above 6.5 percent. Is that what the gentleman said?

Mr. EDGAR. If the gentleman will yield, that is correct.

Mr. GARY A. MYERS. I would ask the question, then: How is this 35 percent then shared among those States who have more than 6½ percent?

Mr. EDGAR. If the gentleman will yield further, I think that it is relatively

clear that it would be shared in the same way that it is shared under the existing bill and under the past distribution which used, rather than the 6.5 percent, the national average. What my compromise provides is moving that national average down to 6.5 percent, and those States that qualify for the 35-percent funding—States which have unemployment levels above 6.5 percent—would be ranked in order of their priority above that 6.5 percent.

Mr. GARY A. MYERS. If the gentleman would pause there for a second, in other words, a State which has 13 percent unemployment would receive twice as much money out of that pot as a State which has 6½ percent?

Mr. EDGAR. No.

Mr. GARY A. MYERS. What would the relationship be?

Mr. EDGAR. If the gentleman would yield further, the relationship is each State's unemployment rate as compared to the 6.5-percent base cutoff. So those States that qualify for the 35-percent funding, as under the earlier legislation, would be ranked according to their unemployment rate, and those States with, for example, 9 percent unemployment would receive more than those States with 7 percent unemployment. They would get their funding from the 65-percent pool on the basis of their total number of unemployed.

I think the gentleman would agree that the legislation was designed and created to provide local accelerated public works in areas of high unemployment and very much distressed by the recent recession. We simply, by using this formula, try to focus in on those particular areas.

Mr. GARY A. MYERS. I think the gentleman for his comments. It still seems to me that we are giving to EDA a rather complex formula to work with. That is the very criticism that we had in the last bill. It seems to me that we are talking about individuals; we are talking about people. A person unemployed in Michigan is as much worried about his job as a person unemployed in Pennsylvania. So I think we ought to deal with the numbers. He does not care whether it is 8 or 7 percent if he is unemployed. I think that is his concern.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. GARY A. MYERS was allowed to proceed for 2 additional minutes.)

Mr. EDGAR. Madam Chairman, will the gentleman yield?

Mr. GARY A. MYERS. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I thank the gentleman for yielding.

The gentleman makes a point which I think has to be clarified. He indicates somehow that coming before us to testify were large numbers of people who were dissatisfied with the State allocation. We received little or no testimony from

anyone who was concerned, at least while I was there, with any of the formulas going to the States. The concern was on the formulas that I think we have clarified in the fine-tuning of the legislation.

Mr. GARY A. MYERS. Madam Chairman, I thank the gentleman.

I did not mean to imply that. I did have some people ask how Puerto Rico got more than Pennsylvania, almost double. If the gentleman did not get those complaints, apparently he did not listen to the same people as I did. Most witnesses did not get to the broader aspects of the program but concentrated on the gerrymandering.

I think the States would have addressed these problems more, but they did not, with all the weaknesses in the other program, have the time to attend to these problems. I think if we are going to contribute \$200-and-some for an unemployed person in a certain State, that we should not try to justify supplying only \$160 per person to other States, regardless of what States are affected. It will take essentially the same amount of money to get each person back to work, whether he is in Pennsylvania and regardless of the percentage.

If we deal with the actual numbers of unemployed, I think that is what this bill is all about.

Mr. MILFORD. Madam Chairman, I rise in support of the amendment offered by the gentleman from Pennsylvania (Mr. SHUSTER) and in opposition to the substitute amendment offered by the gentleman from Pennsylvania (Mr. EDGAR).

Madam Chairman, there were many inequities in the present formula, inequities which we must try to correct. We all had to go home and try to answer the questions put to us by our constituents about the old formula—as to why some areas received so much money and others none. We now have a second chance to try to find a way to spread our limited funds throughout the States in a fair and equitable way.

I must be very frank in saying I do not believe we have succeeded in the bill we have before us today. As a Representative from Texas, I am afraid that this bill will do very little to help the unemployed in my district and in the State. Under this bill the limited funds available will be siphoned off by the larger areas of unemployment in the country leaving very little for the rest of us. While I am in sympathy with these areas, I also know that to be unemployed in Dallas, Tex., or Butte, Mont., is the same as being unemployed anywhere else. I believe that we must arrive at a system where the funds are distributed as fairly as possible.

I am not certain that the amendment we have before us is the best solution, but it is the most equitable I have seen to date. It provides that the funds will be allocated among the States solely ac-

ording to their proportionate number of unemployed. I believe that it is as fair to Texas as it is to New York or any other of the 50 States and I urge its passage.

Mr. MAGUIRE. Madam Chairman, I had planned to introduce an amendment to the Edgar substitute. I have decided not to do that. I think the Edgar substitute is imperfect. I would have preferred either the existing formula, which I think puts emphasis where it belongs, that is on the areas of our country which have highly impacted unemployment.

My amendment to the Edgar substitute would have provided some more help to the States such as New Jersey and others in the Northeast, and Michigan and Oregon and Washington on the west coast, and others, and more in the South, where there is a very high unemployment rate.

The purpose of this legislation was eloquently described by my colleague, the gentleman from New Jersey, the distinguished chairman of the subcommittee (Mr. ROE). We are trying to funnel relatively small amounts of money, when we think about and compare it with our total problem, to the places where that money will be the most effective and will put the most people back to work and help the economies of the most places in this country to the greatest possible extent. That is what this bill is about.

My amendment would have said: Let us use a 6.5-percent base instead of the national average, only we will put more States in for qualifying under the second part of the formula, but then it would have said: Let us split on a 50-50 basis instead of a 35-65 basis. Let us give the 50-percent shot to those States with the really serious unemployment problems.

I think that would have been the best and the most equitable solution. My State would have been advantaged under that approach and it will not be as advantaged under the Edgar approach, but I have been persuaded that the Edgar proposal is the decent compromise which ought to be supported by this House if we cannot have the formula the way it stands now, and I would urge my colleagues from States in the Northeast and elsewhere in the country where unemployment is as serious as it is to join in supporting the Edgar substitute rather than the Shuster amendment, which I think is pernicious in its effects, and I hope that we can proceed in this way.

Mr. EDGAR. Madam Chairman, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Madam Chairman, I would like to commend the gentleman for not offering his amendment and for supporting my amendment. I think the gentleman raises a very important point that the gentleman's State would be helped if the original formula remained

intact in the legislation. I commend the gentleman for supporting the compromise at this time.

Mr. MAGUIRE. Madam Chairman, I think as the chairman indicated earlier, we cannot count every dollar in terms of some abstract concept. We have to make the system work and let us adopt the Edgar amendment.

Mr. LEVITAS. Madam Chairman, I move to strike the requisite number of words. I rise in opposition to the Edgar amendment.

Madam Chairman, I have no way of predicting the outcome of the debate we are now engaging in, but I think it is important that we need to put matters in perspective and say precisely what we are talking about.

I think the distinguished chairman of the subcommittee, the gentleman from New Jersey (Mr. ROE), who has demonstrated leadership of great quality in this body and will in the future afford great leadership wherever the gentleman chooses to serve, perhaps spoke the greatest truth when he said that notwithstanding all the talk about principle and equity and piety, what we are really talking about is dollars. I think that is really what it gets down to and it is not surprising that the New York Times should inveigh against the Shuster approach, because the State of New York under that program, of course, would get less funds.

It seems to me that when we talk about unemployment rates and statistics, as opposed to people who are unemployed, we have lost sight really of what the problem is. The problem is not a rate here or a rate there or a statistic some place. The problem with unemployment is people who cannot get jobs. If we put money after statistics in order to help the problem, instead of putting money where the people are unemployed, then we have missed the entire point of what this bill is supposed to do.

If there are, as I am told, in combat only 2 percent of the people are killed, that is the percentage, but those 2 percent who are killed are 100 percent dead. The people who are unemployed by the thousands in States across this Nation take no solace when we tell them that the rate of unemployment may be less than it is in another State.

Madam Chairman, I think that the Shuster approach, as compared to the Edgar approach, is the approach that puts money where those jobs are needed to provide employment for people. What we have got to be concerned with is that unemployed wage earner who today is on food stamps, seeking welfare and other social benefits, who goes down to the unemployment office week after week seeking employment and cannot find it and the answer to him is, "Well, the job rate here doesn't count enough." He and thousands like him, don't care about rates and statistics. They are individually and collectively, by the millions, suffering from not having the opportunity to work.

Madam Chairman, what we should be

concerned about are the people and not the statistics and if we adopt the Edgar approach we will be dealing with statistics and not people.

The Shuster approach says to look at where the people are unemployed, let the dollar go per capita to those people. Then we will truly deal with the unemployment problem in this country, which is not an unemployment of statistics, but an unemployment of human beings.

Therefore, let us defeat the Edgar substitute and vote for the Shuster amendment.

Mr. VOLKMER. Madam Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Missouri.

Mr. VOLKMER. Madam Chairman, what are we saying basically, that if someone is out of work and has been out of work for some time, it does not make any difference to him as an unemployed person in need of funds that there may be only 5 percent of the other people in employment force out of work. He is out of work and he needs a job as much as the man who is in the 12-percent unemployment bracket.

Mr. LEVITAS. Madam Chairman, that is correct. Let me point out that if there are a thousand people in a community and 500 people are unemployed, compared to a community with 10,000 people unemployed, compared to a community with 500,000, we have a higher rate of unemployment in the first instance than the second; yet we have more human beings suffering in the second. It is that situation that the Shuster amendment addresses itself to. Therefore, I believe in the allocation of these funds we should look at where the people are unemployed and deal with that problem. We have dealt with mere, inhuman statistics too long.

Mr. ERTEL. Madam Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Madam Chairman, I listened to the debate here, but it does not appear to me that we have reached the merits of what this bill is designed to do. Looking at the bill, we have to recognize that in America we have some structural unemployment. It is just the base unemployment which under the Shuster amendment we would be giving money to.

But this bill is a bill designed to take care of those who are out of work as a result of the recession, who are temporarily unemployed; not the structural unemployed who have been unemployed for a long period of time. This money is going to skills, to people who can go back to work quickly. We have programs to take care of the structural unemployed. We have those bills. We have retraining bills. This is not a retraining bill. This is to take care of those people who are out of work merely because there is a recession and those jobs are not available.

When we look at that, we must today look at the rate of unemployed, the in-

crease, and start with the base which we would have normally had, had we not had a recession. If we take the Shuster amendment and apply it, we are going to send money into areas which cannot use it for the projects which would be done under this bill. It would cause a demand for services which are not there and would, in fact, bid up prices.

Whereas, if we put the money in areas where these people are unemployed, who have the skills to do these types of projects, then we will get to the purpose of this bill. The only way we can get there is to have a provision relating to the rate of unemployment.

Mr. GARY A. MYERS. Madam Chairman, will the gentleman yield?

Mr. ERTEL. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. Madam Chairman, the gentleman said the important ingredient is to work from the base of unemployment, that is, long-term unemployment. I see nothing in the Edgar amendment that indicates the States will be evaluated from a base of long-term unemployment. If I have missed that, I would welcome an explanation.

Mr. ERTEL. Certainly. The figure of 6.5 percent is not the base unemployment. It is probably higher than that, but at least we know that those above 6.5 percent are in the incremental people who are unemployed due to recession. That is why we have the base in there. This bill is not perfect. This is a compromise, but it is a compromise between what the gentleman from Pennsylvania (Mr. SHUSTER) has recommended, and something else. We cannot get a perfect bill, but it does take into account that incremental unemployment above 6.5 percent.

Mr. GARY A. MYERS. Will the gentleman yield further?

Mr. ERTEL. I yield.

Mr. GARY A. MYERS. It would seem to me that just picking out 6.5 percent does not guarantee that we have adequately evaluated what the base unemployment was for Pennsylvania, Michigan, Kentucky, and so forth. We have nothing in this bill to support that philosophy, or in the amendment.

Mr. ERTEL. If the gentleman would recall, we have had unemployment rates in this country as low as 3 and 3.5 percent, so 6.5 percent guarantees that we are only getting an incremental, that we are getting the people who are out of work because of inflation. It does do that. These people are the ones out of work because of recession. This is a compromise, and anytime we set a figure, it is an arbitrary figure to some degree.

Mr. CORRADA. Madam Chairman, will the gentleman yield?

Mr. ERTEL. I yield to the Delegate from Puerto Rico.

Mr. CORRADA. Madam Chairman,

I would like to commend the gentleman from Pennsylvania (Mr. ERTEL) for his support of the Edgar amendment rather than the Shuster amendment.

I would like to state very clearly that under the Shuster amendment, our program in Puerto Rico would be cut down to practically one-third of what we received in the first round of money from the Public Works Funding Act. With the Edgar amendment, we get a more equitable position, even though not as equitable as we had the first time around.

Now, I would like to state that in Puerto Rico the level of unemployment in the construction industry is 45 percent versus 14 percent for the national level of unemployment in the construction industry. These are funds for development; they are not for dependency. I do not want to have this program cut for Puerto Rico and have Puerto Ricans going to Pennsylvania to get better welfare there.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(On request of Mr. SHUSTER and by unanimous consent Mr. ERTEL was allowed to proceed for 1 additional minute.)

Mr. SHUSTER. Madam Chairman, will the gentleman yield?

Mr. ERTEL. I yield to my colleague from Pennsylvania.

Mr. SHUSTER. I would like to call the attention of the committee to the very significant point just made by the gentleman from Puerto Rico, which was that, in effect, Puerto Rico received under the previous jobs bill \$127 million—more than almost any State of the Union.

Under the Shuster amendment, certainly Puerto Rico would not be left out. They would receive \$47 million. The gentleman has made a good point.

Mr. ROE. Madam Chairman, will the gentleman yield?

Mr. ERTEL. I yield to the gentleman from New Jersey (Mr. ROE).

Mr. ROE. Madam Chairman, I am glad that came up. I am very glad that came up. So let us deal with that approach.

In every other piece of legislation that we have had, so far as I know, out of the public works end of it, what we are faced with is that we treat Puerto Rico as a State.

Mr. SHUSTER. Madam Chairman, I ask that his words be taken down.

The CHAIRMAN. The gentleman from Pennsylvania (Mr. SHUSTER) asks that the words of the gentleman from New Jersey (Mr. ROE) be taken down. The demand comes too late, since debate has proceeded beyond that point.

Mr. ROE. Madam Chairman, if I have used the wrong words, I apologize right here and now. I did not mean anything personal.

Mr. SHUSTER. Madam Chairman, I was on my feet.

The CHAIRMAN. The gentleman was not seeking recognition.

Does the gentleman from New Jersey ask unanimous consent to withdraw his words?

Mr. ROE. Madam Chairman, I ask unanimous consent that I may be allowed to withdraw any words that I may have used inappropriately.

Mr. SHUSTER. I thank the gentleman.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. ROE. Madam Chairman, I think it is very important for the Members to understand that in every other piece of legislation that comes out of the Committee on Public Works and Transportation, whether it is highway, mass transit, or whatever, the Commonwealth of Puerto Rico is treated as a State.

I must suggest that in the basic bill that we put through, that was passed by this House, Puerto Rico was treated as a State, as it has been traditionally. On the basis of the need, the unemployment, they were given their fair share. Now because of some other methodology, Puerto Rico loses about another \$80 million. I think it is important to note that we checked out that situation in the Commonwealth of Puerto Rico as to whether they did have the levels of unemployment to do the work, and the number of jobs, and the answer was "yes." Did they have the expertise to perform? The answer was "yes."

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. ERTEL) has expired.

(On request of Mr. PHILLIP BURTON and by unanimous consent, Mr. ERTEL was allowed to proceed for 2 additional minutes.)

Mr. PHILLIP BURTON. Madam Chairman, will the gentleman yield?

Mr. ERTEL. I yield to the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. I thank the gentleman for yielding.

Madam Chairman, I would like to associate myself with the remarks of the gentleman from New Jersey (Mr. ROE). We have some 2.7 million-plus fellow Americans living in Puerto Rico. There is not anybody with the slightest understanding of the needs of the people of Puerto Rico who would countenance the kind of massive slash countenanced by the Shuster amendment. That unemployment rate is up to 20 percent, possibly 30 percent. The only real ultimate impact is that the people in Puerto Rico can have no gainful employment. They merely go to the mainland, where they swell the urban centers; and if they are unable to get work, then they are eligible for all of the income programs available on the continent. It is really unthinkable that at this stage of the desperate nature that the people of Puerto Rico find their economy in, that anybody would countenance this kind of outrageous cut.

Mr. ERTEL. I thank the gentleman from California.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. EDGAR) as a substitute for the amendment offered by the gentleman from Pennsylvania (Mr. SHUSTER).

The question was taken.

#### RECORDED VOTE

Mr. EDGAR. Madam Chairman, I demand a recorded vote.

The CHAIRMAN. A recorded vote is demanded.

#### PARLIAMENTARY INQUIRIES

Mr. SHUSTER. Madam Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SHUSTER. Madam Chairman, did the Chair rule on the vote?

The CHAIRMAN. The Chair is in doubt. The Chair did not rule.

There is a request now before the Chair for a recorded vote.

Mr. GARY A. MYERS. Madam Chairman, is the Chair entitled to the privilege of not announcing a vote until after a decision has been made as to whether or not there will be a recorded vote?

Mr. HAMMERSCHMIDT. Madam Chairman, I ask for a division.

The CHAIRMAN. When the Chair is in doubt on a voice vote, it is the prerogative of the Chair to recognize a Member to demand a recorded vote.

Mr. GARY A. MYERS. Madam Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GARY A. MYERS. Madam Chairman, perhaps one further question is in order. If in fact a recorded vote is not ordered here and the Chairman announces her decision, is it in fact in order then to request another recorded vote?

The CHAIRMAN. It would be in order then to ask for a division, or the Chair could order a division vote on its own initiative.

Mr. HAMMERSCHMIDT. Madam Chairman, I ask for a division.

The CHAIRMAN. A recorded vote has already been requested.

All in favor of a recorded vote will please rise and remain standing until counted. Evidently a sufficient number have arisen, and a recorded vote is ordered.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 187, noes 201, not voting 43, as follows:

AYES—187

[Roll No. 28]

Addabbo	Annunzio	Bellenson
Akaka	Applegate	Bennett
Alexander	Ashley	Biaggi
Ambro	AuCoin	Bingham
Ammerman	Badillo	Blanchard
Anderson,	Baucus	Boland
Calif.	Beard, R.I.	Bolling

Bonior	Hollenbeck	Pease	Montgomery	Roncallo	Tony	Gaydos	Mann	Russo
Bonker	Holtzman	Pepper	Moore	Rose	Treen	Gephardt	Marks	Satterfield
Brademas	Howard	Pike	Moorhead,	Rostenkowski	Tribble	Ginn	Mariennee	Schroeder
Broadhead	Hughes	Price	Calif.	Rousselot	Vanik	Glickman	Marriott	Schulze
Broomfield	Ireland	Pritchard	Mottl	Rudd	Volkmmer	Goldwater	Martin	Sebellus
Brown, Mich.	Jacobs	Pursell	Myers, Gary	Runnels	Walker	Goodling	Mattox	Shipley
Burke, Fla.	Jeffords	Rahall	Myers, Ind.	Ruppe	Wampler	Gore	Mazzoli	Shuster
Burke, Mass.	Johnson, Calif.	Rangel	Natcher	Russo	Watkins	Gradison	Mikulski	Simon
Burlison, Mo.	Jones, Okla.	Richmond	Neal	Sarasin	White	Grassley	Milford	Skelton
Burton, John	Kemp	Rinaldo	Nichols	Satterfield	Whitehurst	Gudger	Miller, Ohio	Skubitz
Burton, Phillip	Kildee	Risenhoover	O'Byrne	Schulze	Whitley	Guyer	Mitchell, Md.	Slack
Caputo	Kostmayer	Rodino	Obey	Sebellus	Whitten	Hagedorn	Moakley	Smith, Nebr.
Carney	Krebs	Roe	O'Brien	Sharp	Wilson, Bob	Hall	Mollohan	Snyder
Carr	LaFalce	Rogers	Pickles	Shuster	Winn	Hamilton	Montgomery	Spellman
Cederberg	Le Fante	Rooney	Poage	Skelton	Wirth	Hansen	Moore	Spence
Chisholm	Lederer	Rosenthal	Pressler	Skubitz	Wylder	Harkin	Moorhead,	Staggers
Clay	Lehman	Roybal	Preyer	Smith, Nebr.	Yates	Harris	Calif.	Steed
Conte	Lent	Ryan	Quayle	Snyder	Young, Alaska	Harsha	Moorhead, Pa.	Steers
Conyers	Lloyd, Calif.	St Germain	Quill	Spellman	Young, Fla.	Heckler	Mottl	Steiger
Danielson	McCloskey	Scheuer	Regula	Spence	Young, Mo.	Hefter	Murphy, Ill.	Taylor
Delaney	McCormack	Schroeder	Reuss	Steers	Young, Tex.	Hightower	Murphy, Pa.	Thone
Dellums	McDade	Seiberling	Rhodes	Steiger		Holland	Murtha	Thornton
Dicks	McEwen	Shipley	Roberts	Taylor		Holt	Myers, Gary	Tonry
Diggs	McFall	Simon	Robinson	Thone		Hubbard	Myers, Michael	Treen
Dingell	McHugh	Sisk		Thornton		Huckaby	Myers, Ind.	Tribble
Dodd	McKay	Slack				Hyde	Natcher	Tsongas
Downey	McKinney	Solarz				Ichord	Neal	Vanik
Drinan	Maguire	Staggers	Ashbrook	Fountain	Oakar	Jacobs	Nichols	Vento
Duncan, Ore.	Markey	Stark	Breckinridge	Fuqua	Pettis	Jenkins	O'Byrne	Volkmmer
Early	Meeds	Steed	Brown, Calif.	Gammage	Railsback	Jenrette	Perkins	Walgren
Edgar	Metcalf	Stockman	Brown, Ohio	Gonzalez	Santini	Pickles	Walker	Wampler
Edwards, Calif.	Meyner	Stokes	Broyhill	Hawkins	Sawyer	Poage	Watkins	White
Eitel	Miller, Calif.	Stratton	Burke, Calif.	Hefner	Smith, Iowa	Pressler	Whitehurst	Whitley
Ertel	Mineta	Studds	Butler	Jones, N.C.	Stanton	Preyer	Whitten	Wilson, Bob
Fary	Minish	Stump	Carter	Kazen	Symms	Kastenmeier	Winn	Wilson, Tex.
Fascell	Mitchell, Md.	Thompson	Corman	Koch	Teague	Keys	Wright	Wylie
Fenwick	Mitchell, N.Y.	Traxler	Cornwell	Leggett	Waggonner	Kindness	Yates	Yatron
Fish	Moakley	Tsongas	Cotter	Lundine	Wiggins	Kostmayer	Young, Alaska	Young, Tex.
Flood	Moffett	Tucker	Dent	McClory	Wilson, C. H.	Krueger	Young, Mo.	Zablocki
Florio	Moorhead, Pa.	Udall	Derrick	Mathis		Latta		
Foley	Moss	Ullman	Devine	Michel		Leach		
Ford, Mich.	Murphy, Ill.	Van Deerlin	Eckhardt	Mikva		Lederer		
Ford, Tenn.	Murphy, N.Y.	Vander Jagt				Levitass		
Forsythe	Murphy, Pa.	Vento				Lloyd, Tenn.		
Fraser	Murtha	Walgren				Long, La.		
Gaydos	Myers, Michael	Waxman				Long, Md.		
Giaimo	Nedzi	Weaver				Lott		
Gibbons	Nix	Weiss				Lukens		
Gilman	Nolan	Whalen				McDade		
Hammer-	Nowak	Wilson, Tex.				McDonald		
schmidt	Oberstar	Wolf				Medigan		
Hanley	Ottinger	Wright				Mahon		
Hannafor-	Panetta	Yatron						
Harrington	Patten	Zablocki						
Heckler	Patterson	Zerferetti						
Hefter	Pattison							

## NOT VOTING—43

Ashbrook  
Breckinridge  
Brown, Calif.  
Brown, Ohio  
Broyhill  
Burke, Calif.  
Butler  
Carter  
Corman  
Cornwell  
Cotter  
Dent  
Derrick  
Devine  
Eckhardt

Messrs. DAVIS and JENRETTE and Mrs. COLLINS of Illinois changed their votes from "yea" to "nay."

Messrs. ALEXANDER, STAGGERS, and McDADE changed their votes from "nay" to "yea."

So the amendment offered as a substitute for the amendment was rejected. The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. SHUSTER).

The question was taken and the Chairman announced that the Chair was in doubt.

## RECORDED VOTE

Mr. ROE. Madam Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 229, noes 158, not voting 44, as follows:

[Roll No. 29]

## AYES—229

Allen	Brinkley	de la Garza
Anderson, Ill.	Brooks	Derwinski
Andrews, N.C.	Buchanan	Dickinson
Andrews,	Burke, Mass.	Drinan
N. Dak.	Burleson, Tex.	Duncan, Tenn.
Annunzio	Burlison, Mo.	Edwards, Ala.
Applegate	Byron	Edwards, Okla.
Archer	Carney	Emery
Armstrong	Cavanaugh	English
Aspin	Clawson, Del	Erlenborn
Badham	Cleveland	Ertel
Baldus	Cochran	Evans, Del.
Barnard	Cohen	Evans, Ga.
Baucus	Coleman	Evans, Ind.
Bauman	Collins, Ill.	Fary
Beard, Tenn.	Collins, Tex.	Findley
Bedell	Conte	Fisher
Benjamin	Corcoran	Fithian
Bevill	Cornell	Filippo
Blouin	Coughlin	Flood
Boggs	Crane	Flowers
Bowen	D'Amours	Flynt
Breaux	Daniel, Dan	Ford, Tenn.
Brinkley	Daniel, R. W.	Frenzel
Brooks	Davis	

## NOES—158

Addabbo	Early	McKay
Akaka	Edgar	McKinney
Alexander	Edwards, Calif.	Maguire
Ambro	Evans, Colo.	Markey
Ammerman	Fascell	Meeds
Anderson,	Fenwick	Meyner
Calif.	Fish	Miller, Calif.
Ashley	Florio	Mineta
AuCoin	Foley	Minish
Badillo	Ford, Mich.	Mitchell, N.Y.
Bafalis	Forsythe	Moffett
Beard, R.I.	Fraser	Moss
Bellenson	Frey	Murphy, N.Y.
Bennett	Giaimo	Nedzi
Biaggi	Gibbons	Nolan
Bingham	Gilman	Nowak
Blanchard	Hammer-	Oberstar
Bonior	schmidt	Ottinger
Bonker	Hanley	Panetta
Brademas	Hannafor-	Patten
Broadhead	Harrington	Patterson
Broomfield	Hollenbeck	Pattison
Brown, Mich.	Holtzman	Pease
Burgener	Horton	Pepper
Burke, Fla.	Howard	Pike
Burton, John	Hughes	Pritchard
Burton, Phillip	Ireland	Pursell
Caputo	Jeffords	Rangel
Carr	Johnson, Calif.	Richmond
Cederberg	Johnson, Colo.	Rinaldo
Chappell	Kelly	Rodino
Chisholm	Kemp	Roe
Clausen,	Ketchum	Rogers
Don H.	Kildee	Roncallo
Clay	Krebs	Rosenthal
Conable	LaFalce	Roybal
Conyers	Lagomarsino	Ruppe
Danielson	Le Fante	Ryan
Delaney	Lehman	St Germain
Dellums	Lent	
Dicks	Lloyd, Calif.	Scheuer
Diggs	Luhan	Seiberling
Dingell	Mattox	Sisk
Dodd	Mazzoli	Solarz
Dornan	McCloskey	Stark
Downey	McCormack	Stockman
Duncan, Ore.	McEwen	Stokes
	McFall	
	McHugh	

Stratton	Ullman	Whalen
Studds	Van Deerlin	Wilson, C. H.
Stump	Vander Jagt	Wolff
Thompson	Walsh	Wydler
Traxler	Waxman	Young, Fla.
Tucker	Weaver	Zeferetli
Udall	Weiss	

## NOT VOTING—44

Abdnor	Eckhardt	Mikva
Ashbrook	Fountain	Nix
Breckinridge	Fuqua	Oakar
Brown, Calif.	Gammage	Pettis
Brown, Ohio	Gonzalez	Rallsback
Broyhill	Hawkins	Santini
Burke, Calif.	Hefner	Sawyer
Butler	Jones, N.C.	Sikes
Carter	Kazen	Smith, Iowa
Corman	Koch	Stanton
Cornwell	Leggett	Symms
Cotter	Lundine	Teague
Dent	McClory	Waggoner
Derrick	Mathis	Wiggins
Devine	Michel	

Mrs. HECKLER changed her vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. MILLER of Ohio, Madam Chairman, today we consider a bill that seeks to sustain an accelerated public works program and repair its deficiencies which were either ignored or unanticipated last fall when Congress rushed through its enactment and funding.

Continuation of the Local Public Works and Capital Development and Investment Act of 1976 at a higher funding level is now an integral part of the administration's economic stimulus package, not because it has proven to be so successful in putting people to work, but because it is so politically popular.

Last December when EDA announced its title I approvals, the basic allocation flows of the program became apparent.

The 70/30 percent funding provision favored those applicants in the 30 percent category. Gerrymandering of unemployment rates led to duplication of applications and diversion of funds away from critically high unemployment areas. The unemployment data was too imprecise to afford accurate calculations. Qualified applications were denied because of local processing errors. Some applicants loaded up on applications and thus had a more favorable approval rate.

The act's deficiencies which led to these and other inequities were not unrecognized last year when we considered this act. Last August, in my minority views to the Appropriations Committee's report to fund Public Law 94-364, I made the following observations:

## MINORITY VIEWS OF HONORABLE CLARENCE E. MILLER

The three days of Committee hearings on this bill only served to validate and re-enforce the President's July 6 veto of the Public Works Employment Act of 1976.

PL 94-369 is the classic example of Congress promising that which cannot be reasonably delivered. If the nation's unemployed rest their hopes on working again with this kind of Congressional hocus pocus, then they are in store for bitter disappointment. The wage earner desperately trying to make ends meet is in for another inflationary shock when the \$4 billion cost of this bill starts rippling through the economy.

At best the Act supposedly will create

160,000 jobs, not the 325,000 jobs its sponsors projected, at a per job cost of \$25,000. Its impact will be felt neither now nor in the immediate future, but primarily in late 1977 and 1978 when the economy will be well advanced in its recovery stage. Finally, the money that will be borrowed to fund its provisions will stimulate inflation at a time when fiscal restraint is dictated.

More questions about the Act's implementation, cost, and effect were raised during the course of the Committee's hearings than were answered. The legislative intent may be clear to those who are going to administer the various titles but the Act's infrastructure is so handicapped and poorly conceived as to make implementation difficult if not impossible. For example, under title II it is unclear what unemployment data is to be used in the allocation formula, how the states are to accomplish intrastate allocations, which governmental units are eligible for funds, and how economization assurances are to be achieved. Even more fundamental to title II is what jobs are basic to the maintenance of local governmental services. Paradoxically, local school boards are not eligible for title II personal services funds but are eligible for title I construction funds.

The Act is replete with totally unrealistic time deadlines that will create an administrative nightmare. For example under title I within the initial sixty day review/approval period, among other requirements, a favorable Environmental Impact Statement must be obtained. Anyone who has had experience with an EIS knows that it can be a lengthy, complex undertaking certainly one that in many cases cannot be accomplished overnight or within two months. In addition, the requirement that ninety days after project approval construction must start does not take into account the inevitable challenges many bids are subjected to locally. The rub is that when a project does not start within ninety days, the Act requires the funds to be deobligated.

Because title I further requires that an application not processed and reviewed by EDA within sixty days is automatically approved, enormous pressure will be placed on the agency to push paper. With only cursory review the result may well be approval of constructions of questionable quality and solvency.

I am also concerned that smaller communities without the capability to gear up quickly and submit an application package title I will be denied program participation regardless of the severity of its unemployment. Those political subdivisions well advanced in the area of grantsmanship will fare much better in getting more than their share of the pot.

In addition, I think we will see the substitution of the easy 100% federal money under title I for local money that is readily available to do the same construction work as well as some double dipping into each of the title pots.

Too many unanswered questions about the Act remain to justify this appropriation. The Committee simply does not know how much it will cost to administer the program, how many new bureaucrats will be needed, what the paperwork burden will be, where the benefits will go, who will receive them and what their extent will be, and finally what the real inflationary impact will be.

What the Congress has created here are not new job opportunities but an election year illusion for the folks back home. No matter how politically expedient it may be, pumping \$4 billion the Federal Government does not have into the economy to produce a few

\$25,000 jobs is still economically irresponsible.

Madam Chairman, when Congress drafts a pretty shoddy piece of legislation and then pumps money into it, we can expect the end results to be flawed. In this bill the committee takes a stab at cleaning up some of the act's more obvious deficiencies. Through the amendatory process, I hope we can make even more improvements. However, there still remains the question of how valid is the basic concept of accelerated public works in permanently reducing unemployment.

The act's employment impact is short term. Permanent positions to meet a growing labor force still must be created after approved projects are completed. The cost/benefit ratio per job under the act is still difficult to justify. The time lag between planning and actual construction of projects gives stimulus at a future date when stimulus may not be needed.

It should be clear that the \$4 billion H.R. 11 authorizes to be spent is money we do not have in current revenues. Because the Treasury will have to borrow more funds, added inflationary pressures will be created in the credit markets. Those moneys soaked up in those credit markets to fund this act will not be available to expand private employment. The labor market becomes more distorted and unstable.

Finally, the allocation procedure will always be imperfect because the Government can never adequately distinguish among the variances in local employment conditions and community needs and target Federal money effectively.

This public work's program has developed its own momentum. I hope the Congress is not deceiving itself as to what this program will actually do and how much it will cost.

Mr. YOUNG of Florida, Mr. Chairman, it is with great regret that adoption of the amendment by the gentleman from Pennsylvania leaves me with no alternative but to vote against final passage of H.R. 11. When I came to the floor this morning, I fully intended to vote for the bill as I did last year, but this last minute surprise amendment reduces the amount of benefits Florida will gain from the act in drastic proportions.

In fact, the legislation as amended reduces Florida's allocation by \$90 million or 33 percent and I respectfully suggest that a cut of that proportion is more inequitable than all of the injustices of last year's program combined. Almost every Member, including the Speaker, will recall that last year's formula created gross inequities for areas of high unemployment. The committee attempted to resolve those problems in H.R. 11 and while not completely satisfied that this year's proposal would have cleared up all of the past mistakes, I was in agreement with the changes that were implemented. However, the bill as amended now confuses the issue once again and the only thing that is certain is that Florida and several other States with high unemploy-

ment rates have been thrown out in the cold during a very severe winter. Many of the unemployed from other States in the Nation have chosen to spend their out of work time in our mild climate and others have decided to vacation in our State while waiting for jobs. That combined with an economy which follows the country's cyclical pattern by about 6 months has created an unemployment rate for our State which is among the highest in the country.

The authors of this legislation last year, and again this year, took these factors into consideration in drafting the legislation, but this 11th hour maneuvering has eliminated any compassion for areas such as Florida. The potential public works facilities that the residents of every State in the Nation would use when they visit our State will be severely curtailed.

I compliment the chairman of the subcommittee which drafted this bill for his convincing pleas for equity in his opposition to this crippling amendment. The ranking minority member of the subcommittee has shown great courage in also opposing the amendment even though his State will gain from its inclusion.

Even though I opposed the Edgar amendment which would have reduced Florida's share somewhat, I could probably have supported the bill even with Edgar's compromising formula, but the formula that the House has adopted today not only is counter to the best interest of Florida, but also to the Nation. We all recall after acting in haste last year, the almost unanimous disapproval of the formula for distribution of the funds. Through this last minute amendment, the House has again acted in haste, and I fear we will be equally disappointed. The only comforting thought that I have at this point is that this is only the first round. When the bill comes from the conference committee, I hope that the conferees will have restored at least some of the funds for Florida so that I can then support this legislation on final passage.

**THE CHAIRMAN.** Are there further amendments?

There being no further amendments, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

**THE CHAIRMAN.** Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Miss JORDAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11) to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976, pursuant to House Resolution 304, she reported the bill back to the House with an amendment adopted by the Committee of the Whole.

**THE SPEAKER.** Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by

the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.  
**THE SPEAKER.** The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY  
MR. CLEVELAND

**Mr. CLEVELAND.** Mr. Speaker, I offer a motion to recommit.

**THE SPEAKER.** Is the gentleman opposed to the bill?

**Mr. CLEVELAND.** I am, Mr. Speaker.

**THE SPEAKER.** The Clerk will report the motion to recommit.

The Clerk read as follows:

**Mr. CLEVELAND** moves to recommit the bill H.R. 11 to the Committee on Public Works and Transportation.

**THE SPEAKER.** Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

**THE SPEAKER.** The question is on the motion to recommit.

The motion to recommit was rejected.

**THE SPEAKER.** The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

**Mr. ROE.** Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 295, nays 85, not voting 51, as follows:

[Roll No. 30]

YEAS—295

Addabbo	Carney	Flynt
Akaka	Carr	Ford, Mich.
Alexander	Chappell	Ford, Tenn.
Allen	Chisholm	Gaydos
Ambro	Clausen,	Gephardt
Ammerman	Don H.	Giaimo
Anderson,	Cohen	Gilman
Calif.	Coleman	Ginn
Anderson, Ill.	Collins, Ill.	Glickman
Andrews, N.C.	Conte	Gore
Andrews,	Conyers	Gudger
N. Dak.	Cornell	Guyer
Annunzio	Coughlin	Hall
Applegate	D'Amons	Hamilton
Ashley	Danielson	Hammer-
Aspin	Davis	schmidt
AuCoin	de la Garza	Hanley
Badillo	Delaney	Hannaford
Baldus	Dellums	Harkin
Barnard	Dickinson	Harrington
Baucus	Dicks	Harris
Beard, R.I.	Diggs	Harsha
Bedell	Dingell	Heckler
Bellenson	Dodd	Heftel
Benjamin	Downey	Hightower
Bennett	Drinan	Holland
Bevill	Duncan, Oreg.	Hollenbeck
Biaggi	Duncan, Tenn.	Holtzman
Bingham	Early	Howard
Blanchard	Edgar	Hubbard
Blouin	Edwards, Ala.	Huckaby
Boggs	Edwards, Calif.	Hughes
Boland	Eilberg	Hyde
Bolling	Emery	Ireland
Bonior	Ertel	Jeffords
Bowen	Evans, Colo.	Jenkins
Brademas	Evans, Del.	Jenrette
Breaux	Evans, Ga.	Johnson, Calif.
Brinkley	Evans, Ind.	Johnson, Colo.
Brodhead	Fary	Jones, Okla.
Brooks	Fascell	Jones, Tenn.
Broomfield	Fenwick	Jordan
Buchanan	Findley	Kasten
Burke, Fla.	Fish	Kastenmeier
Burke, Mass.	Fisher	Keys
Burlison, Mo.	Fithian	Kildee
Burton, John	Flippo	Kostmayer
Burton, Phillip	Flood	Krebs
Byron	Florio	Krueger
Caputo	Flowers	Lederer

Le Fante	Nolan	Skelton
Lehman	Nowak	Slack
Levitas	Oberstar	Snyder
Lloyd, Calif.	Obey	Solarz
Lloyd, Tenn.	O'Brien	Spellman
Long, Ia.	Ottinger	Staggers
Long, Md.	Panetta	Stark
Lujan	Patten	Steed
Luken	Patterson	Steers
McCloskey	Pattison	Stokes
McCormack	Pease	Stratton
McDade	Pepper	Studds
McFall	Perkins	Thompson
McHugh	Pickle	Thornton
McKay	Pressler	Tonry
McKinney	Preyer	Traxler
Madigan	Price	Trible
Maguire	Pritchard	Tsongas
Mahon	Pursell	Tucker
Mann	Quillen	Udall
Markey	Rahall	Ullman
Marks	Rangel	Van Deerin
Mattox	Regula	Vanik
Mazzoli	Reuss	Vento
Meeds	Richmond	Volkmer
Metcalfe	Rinaldo	Walgren
Meyner	Risenhoover	Walsh
Mikulski	Roberts	Wampler
Millford	Rodino	Watkins
Miller, Calif.	Roe	Waxman
Mineta	Rogers	Weaver
Minish	Roncalio	Weiss
Mitchell, Md.	Rooney	Whalen
Mitchell, N.Y.	Rose	White
Moakley	Rosenthal	Whitley
Moffett	Rostenkowski	Whitten
Mollohan	Roybal	Wilson, Bob
Moore	Runnels	Wilson, C. H.
Moorhead, Pa.	Russo	Wilson, Tex.
Moss	St Germain	Wirth
Murphy, Ill.	Sarasin	Wolf
Murphy, N.Y.	Scheuer	Wright
Murphy, Pa.	Schroeder	Yates
Murtha	Schulze	Yatron
Myers, Gary	Seiberling	Young, Alaska
Myers, Michael	Sharp	Young, Mo.
Natcher	Shipley	Young, Tex.
Neal	Shuster	Zablocki
Nedzi	Simon	Zerfetti
Nichols	Sisk	

NAYS—85

Archer	Goodling	Pike
Armstrong	Gradison	Poage
Badham	Grassley	Quayle
Bafalis	Hagedorn	Quie
Bauman	Hansen	Rhodes
Beard, Tenn.	Hillis	Robinson
Brown, Mich.	Holt	Rousselot
Burgener	Horton	Rudd
Burleson, Tex.	Ichord	Ruppe
Cavanaugh	Jacobs	Ryan
Cederberg	Kelly	Satterfield
Clawson, Del.	Kemp	Sebelius
Cleveland	Ketchum	Skubitz
Cochran	Kindness	Smith, Nebr.
Collins, Tex.	LaFalce	Spence
Conable	Lagomarsino	Steiger
Corcoran	Leach	Stockman
Crane	Lent	Stump
Daniel, Dan	Lott	Taylor
Daniel, R. W.	McDonald	Thone
Edwards, Okla.	McEwen	Treen
English	Marlenee	Vander Jagt
Erlenborn	Marriott	Walker
Foley	Martin	Whitehurst
Forsythe	Miller, Ohio	Winn
Frenzel	Montgomery	Wylder
Frey	Moorhead,	Wylie
Gibbons	Calif.	Young, Fla.
Goldwater	Myers, Ind.	

NOT VOTING—51

Abdnor	Devine	Mathis
Ashbrook	Dornan	Michel
Bonker	Eckhardt	Mikva
Breckinridge	Fountain	Mottl
Brown, Calif.	Fraser	Nix
Brown, Ohio	Fuqua	Oakar
Broyhill	Gammage	Pettis
Burke, Calif.	Gonzalez	Rallsback
Butler	Hawkins	Santini
Carter	Hefner	Sawyer
Clay	Jones, N.C.	Sikes
Corman	Kazen	Smith, Iowa
Cornwell	Koch	Stanton
Cotter	Latta	Symms
Dent	Leggett	Teague
Derrick	Lundine	Waggoner
Derwinski	McClory	Wiggins

The Clerk announced the following pairs:

On this vote:

Mr. Cotter for, with Mr. Teague against,  
Mr. Corman for, with Mr. Lundine against.

Mr. Carter for, with Mr. Wiggins against.  
Mr. Rallsback for, with Mr. Butler against.  
Mr. Sikes for, with Mr. Latta against.  
Mr. Eckhardt for, with Mr. Abdnor against.  
Mr. Dent for, with Mr. Michel against.  
Mr. Kazen for, with Mr. Devine against.  
Mr. Koch for, with Mr. McClory against.  
Mr. Hawkins for, with Mr. Symms against.

Until further notice:

Mrs. Burke of California with Mr. Ashbrook.

Mr. Nix with Mr. Stanton.  
Mr. Sawyer with Mr. Dornan.  
Mr. Broyhill with Mr. Derwinski.  
Ms. Oaker with Mr. Brown of Ohio.  
Mr. Mottl with Mr. Mikva.  
Mr. Santini with Mr. Waggoner.  
Mr. Clay with Mr. Brown of California.  
Mr. Breckinridge with Mr. Bonker.  
Mr. Cornwell with Mr. Fraser.  
Mr. Derrick with Mr. Gonzalez.  
Mr. Hefner with Mr. Leggett.  
Mr. Jones of North Carolina with Mr. Mathis.

Mr. Smith of Iowa with Mr. Fountain.  
Mr. Gammage with Mr. Fuqua.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. ROE. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

#### PERMISSION FOR COMMITTEE ON RULES TO HAVE UNTIL MIDNIGHT, FRIDAY, FEBRUARY 25, 1977, TO FILE A PRIVILEGED REPORT

Mr. SISK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tomorrow night, Friday, February 25, 1977, to file a privileged report on the Obey report.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Mr. Speaker, reserving the right to object—and I shall not object—I just want to make this observation to the gentleman from California. I have had occasion to read the rule that he is requesting to file which pertains to the so-called financial ethics bill, and it specifically excludes the right of the minority to offer a motion to recommit with or without instructions.

In the last Congress there was an agreement worked out, as I understand it, with the majority members of the Committee on Rules that the minority's right would always be protected and that motions to recommit with or without instructions would be in order. I understand that that agreement no longer exists. I would hope that my distinguished friend, the gentleman from California, would relay this message to the

Committee on Rules the suggestion being that, if we are to be denied our rights as a minority, there are many, many difficulties that can arise on the floor of the House when unanimous consent requests are made. I know the gentleman was no party to this, but I do think that it is an important right for us and certainly should remind the majority of the fact.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the distinguished minority leader.

Mr. RHODES. I thank the gentleman for yielding.

I should like to thoroughly concur in the remarks the gentleman from Maryland has just made. I, too, thought that we had an agreement—and we did in the last Congress. I would hope that we can make one in this Congress that there will be motions to recommit with or without instructions on all pieces of major legislation. Certainly this is a piece of major legislation. The matter is very disturbing to me.

Mr. SISK. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I of course yield to the gentleman from California.

Mr. SISK. I thank the gentleman for yielding. Let the gentleman from California state that as far as he personally is concerned, he will recognize this as a basic right of the minority at all times. I am unaware that the matter was even considered. I will have to plead innocent to any intent in this case—and I mean that as far as this Member is concerned.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

#### LEGISLATIVE PROGRAM FOR FEBRUARY 28

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, I take this time to inquire of the distinguished majority leader as to the program for the balance of the week and next week.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Speaker, upon conclusion of the business today, this will conclude the legislative business for the week and it will be my purpose to ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock on Monday next.

Next week there are two major pieces of legislation anticipated, one being the financial ethics legislation, the Obey Commission report, and the other being the Tax Reduction and Simplification Act of 1977.

It is expected that the House will meet at noon on Monday.

There is one bill on suspension, H.R. 2329, to improve the administration of fish and wildlife programs.

On Tuesday the House would meet at noon.

There are no bills scheduled for suspension, but there is one bill scheduled for regular consideration, H.R. 3365, a 1-year extension of regulation Q, and Federal Credit Union amendments. That will be under an open rule with 1 hour of general debate.

On Wednesday the House will meet at 3 o'clock to consider House Resolution 287, financial ethics, the Obey Commission report, under a modified open rule.

On Thursday and the balance of the week the House will meet at 11 o'clock.

There are five measures from the Appropriations Committee:

House Joint Resolution 269, the urgent disaster relief appropriation;

House Resolution 305, a disapproval resolution;

House Resolution 306, a disapproval resolution; and

House Resolution 307, a disapproval resolution; and H.R. 3839, the Second Budget Rescission Bill, 1977.

Following that it would be expected the House would consider House Concurrent Resolution 110, the third concurrent resolution on the budget for fiscal year 1977 might be available for a vote on a conference committee report. Of course that would be subject to the conference committee's report being filed.

Then we would have House Resolution 3477, the Tax Reduction and Simplification Act of 1977, subject to a rule being granted.

There is another bill, H.R. 2846, the John F. Kennedy Center emergency repair bill, subject to a rule being granted.

The House will adjourn by 3 p.m. on Fridays and by 5:30 p.m., or a quarter of 6, rather, on all other days except Wednesdays, when we would continue until the business had been concluded.

Conference reports of course may be brought up at any time and any further program may be announced later.

Mr. RHODES. Mr. Speaker, of course on Wednesday the financial ethics resolution will be brought up under what the distinguished majority leader called a modified open rule but which I would call a modified closed rule, but nevertheless I am wondering if, since even under the so-called modified open rule there are some motions to strike and amendments which might be in order and pro forma amendments are in order, it would not be a good idea if the House met earlier than 3 p.m. on that day. Is it not possible to meet earlier on Wednesday?

Mr. WRIGHT. I do not think this is in keeping with the general rules that have been established for our governance during these first few months of the year, and it seems probable the committees might have made other arrangements in the expectation of our abiding by the rule.

Mr. RHODES. But I wonder if the majority leader would consider, if it might not be too disruptive of the committees, if we might meet earlier on that day.

Mr. WRIGHT. Perhaps, if the gentleman will yield further, we could discuss this privately and if such an arrangement could be worked out, some agreement might be sought. At present the

majority leader has no alternative but to follow the program that has been established and set forth in accordance with the rules of the House at the beginning of this session.

**DISPENSING WITH CALENDAR  
WEDNESDAY BUSINESS ON  
WEDNESDAY NEXT**

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule on Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

**ADJOURNMENT TO MONDAY,  
FEBRUARY 28, 1977**

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next at 12 o'clock noon.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

**APPOINTMENT AS MEMBERS OF  
ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS**

The SPEAKER. Pursuant to the provisions of section 3(a), Public Law 86-380, the Chair appoints as members of the Advisory Commission on Intergovernmental Relations the following members on the part of the House: the gentleman from North Carolina, Mr. FOUNTAIN; the gentleman from New York, Mr. RANGEL; and the gentleman from Ohio, Mr. BROWN.

**APPOINTMENT AS MEMBERS OF  
COMMISSION ON FEDERAL PAPERWORK**

The SPEAKER. Pursuant to the provisions of section 4(a), Public Law 93-556, the Chair appoints as members of the Commission on Federal Paperwork the following Members on the part of the House: The gentleman from Oklahoma, Mr. STEED; and the gentleman from New York, Mr. HORTON.

**APPOINTMENT AS OFFICIAL ADVISERS TO THE U.S. DELEGATIONS TO INTERNATIONAL CONFERENCES, MEETINGS, AND NEGOTIATION SESSIONS RELATING TO TRADE AGREEMENTS**

The SPEAKER. Pursuant to the provisions of section 161(a), title I, Public Law 93-618, and upon recommendation of the chairman of the Committee on Ways and Means, the Speaker has selected the following members of that committee, to be accredited by the President, as official advisers to the U.S. delegations to international conferences, meetings, and negotiation sessions relating to trade agreements during the first session of the 95th Congress: The gentleman from Ohio, Mr. VANIK; the gentleman from Florida, Mr. GIBBONS;

the gentleman from Oklahoma, Mr. JONES; the gentleman from New York, Mr. CONABLE; and the gentleman from Wisconsin, Mr. STEIGER.

**APPOINTMENT AS MEMBERS OF  
PRIVACY PROTECTION STUDY  
COMMISSION**

The SPEAKER. Pursuant to the provisions of section 5(a) (1), Public Law 93-579, the Chair appoints as members of the Privacy Protection Study Commission the following Members on the part of the House: The gentleman from New York, Mr. KOCH; and the gentleman from California, Mr. GOLDWATER.

**THREE CHEERS FOR PRESIDENT  
CARTER'S STAND ON HUMAN  
RIGHTS**

(Mr. KOCH asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. KOCH. Mr. Speaker, I have applauded the statements of support made in recent weeks by President Carter and the State Department on behalf of the brave individuals in the Soviet Union and Czechoslovakia who at great personal risk have publicly stood up for their basic human rights, rights which their governments by international treaty have agreed to respect. Yesterday the President in his press conference reaffirmed these earlier indications that full support of human rights will assume its proper place as one of the top priorities of American foreign policy and broadened that support to include all parts of the world.

I am heartened by President Carter's recognition of American responsibility in this regard, conveyed by his statement that as a signatory of the 35-nation Helsinki accord—

We have . . . a responsibility and a legal right to express our disapproval of violations of human rights.

This stance is a refreshing contrast to the Ford administration's bland silence on the subject, the most notorious example of which was the former President's failure to invite the Nobel Prize winning Soviet author and dissident Alexander Solzhenitsyn to the White House when the latter came to this country. I might add that Ford has since termed this action "regrettable," stating:

I think in retrospect it would have been better for me to have had him to the Oval Office.

For his part, President Carter has announced that he and Vice President MONDALE are scheduled to meet next week with the well-known Soviet dissident Vladimir K. Bukovsky, who was recently deported from Russia. This meeting is to my mind fitting and proper. At issue is not only the question of whether the Soviet Union will respect basic human rights within its borders, but a more pragmatic, if not more fundamental, question as well; namely, Can the United States depend upon the Soviet Union to carry out the terms of agreements it freely and openly enters into?

The Soviets claim that American support of human rights in Russia consti-

tutes interference in the internal affairs of a fellow sovereign state. But this is clearly not true. The current administration is simply informing the Soviet Government that the United States expects it to live up to an international agreement it freely and openly signed—the Final Act of the Conference on Security and Cooperation in Europe, signed at Helsinki.

The Soviets further state that continued U.S. support of human rights activists in the U.S.S.R. will become an obstacle to progress in areas of mutual interest, presumably a reference to the SALT II negotiations. My feeling is that the American public should know whether the Soviets will carry out the agreements already in force before being asked to accept any new ones, especially in accord with the far reaching implications of SALT II.

The issue of human rights, of course, stands on its own merits as well; and those merits cut across differences in ideological and political persuasion. To illustrate this point, I am inserting a recent release by Bernard Barker, president of the Workmen's Circle, and a resolution adopted by the National Committee of Social Democrats, U.S.A., both dealing with violations of human rights by the Soviet Union:

**RELEASE BY THE WORKMAN'S CIRCLE**

Secretary of State Cyrus Vance was urged today to publish Soviet violations of the Helsinki Pact "now", and to have "our representative to the U.N. Human Rights Commission call for appropriate action" in this regard.

The message, which also commended the new administration on its forthright positions as regards human rights in the USSR, came from Bernard Backer, president of the Workmen's Circle, the Jewish fraternal order, in a telegram to Vance.

The text of the telegram follows:

"We commend the forthright positions taken by you and President Carter on violations of human rights in the USSR, but we are dismayed by continued reports from the Soviet Union of harassment of American newsmen, Soviet dissidents, Jewish scholars, especially the arrest of Aleksandr I. Ginsburg, in total violation of Helsinki accord.

"Recent Soviet T.V. documentary so distorted the Eichmann capture and trial as to deliberately provoke anti-semitism in Russia.

"We feel these and other violations of the Helsinki Pact should be published now and that our representative to the U.N. Human Rights Commission call for appropriate action.

"We must give clear reassurance to dissidents in the Soviet Union that America will oppose violation of rights pledged at Helsinki.

"We also question the wisdom of holding the East-West Human Rights Conference in Belgrade in view of Yugoslavia's imprisonment of its own dissidents. We must at least obtain guarantees of unhampered freedom of the press and admission of observers.

"BERNARD BACKER,  
"President."

**[Social Democrats, U.S.A.]**

**RESOLUTION ON HELSINKI AND BELGRADE**  
(Adopted by the National Committee  
February 6, 1977)

Despite massive efforts by the Communist leaders of the Soviet bloc to keep a tight lid on dissent, there has been a remarkable outpouring of dissident activity in recent months. The resurgence of dissent at this

time shows that the Soviet Union and some of its satellite states in East Europe are passing through a political and economic crisis which, if not acute, shows no signs of abating. Significant manifestations of resistance have appeared simultaneously in three major East European states—Poland, Czechoslovakia, and East Germany—a development that has given hope to the beleaguered human rights activists in the USSR itself. The situation is particularly troubling to the Kremlin because the unrest has been caused by economic discontents (in Poland especially), in addition to opposition to foreign Soviet rule and by a desire for greater freedoms. Moreover, the recent protests have undoubtedly been prompted in part by the approaching meeting in Belgrade where the 35 signatories to the Helsinki accords will review the agreement. For the peoples of the Soviet bloc, the so-called Basket Three of the Helsinki Accords provides a charter for human rights, an internationally recognized set of human rights standards on which they can base both their appeals for support in the West and their protests against the failure by the Communist regimes to live up to the agreement.

The bold human rights manifesto called Charter 77, signed by over 300 Czech intellectuals and former Communist leaders, emphasizes both the relationship of the Czech struggle to the Helsinki agreement and, concurrently with that, the universal nature of the human rights movement. Charter 77 describes itself as a free association of individuals of diverse backgrounds "linked by the desire to work individually and collectively for respect for human and civil rights in Czechoslovakia and the world—the rights provided for in the enacted international pacts, in the Final Act of the Helsinki Conference, and in numerous other international documents against wars, violence and social and mental oppression. It represents a general declaration of human rights." The manifesto also underlines the symbolic nature of the name Charter 77, which "stresses that it has been established on the threshold of what has been declared the year of political prisoners, in the course of which a meeting in Belgrade is to review the progress—or lack of it—achieved since the Helsinki Conference."

The reaction of the Czech regime to Charter 77 was predictable—and in blatant violation of the Helsinki accords which called upon all signatories to "respect human rights and fundamental freedom." Leaders of Charter 77 have been repeatedly detained and arrested, in some cases physically assaulted by the security police. The regime has threatened to exile eight of the leading members of Charter 77. The official Communist party paper, *Rude Pravo*, warned the dissidents that "those who lie on the rails to stop the train of history must expect to get their legs cut off." Far from being intimidated, the Charter 77 group has increased its appeal for solidarity in the West with its cause.

The situation in Poland is even more critical from the viewpoint of the Communist regime, for there the intellectual dissident movement has linked up with a mass movement of workers' resistance. The most recent working class uprising in Poland took place in June of last year when workers at a number of factories left their jobs after the government announced food price increases. The regime rescinded the price increases and the workers returned to their jobs. But the police then went on a rampage, beating and arresting hundreds of workers and firing tens of thousands. Since workers laid off for political reasons get no benefits in Poland, a Workers Defense Committee was formed by

a group of intellectuals to raise funds for the fired workers and their families. In an act of equal courage, some 900 workers at a tractor plant outside Warsaw signed a petition calling for the reinstatement of the 20,000 workers who had been fired.

Increased resistance activity has also been noticeable in East Germany. Spurred by the Helsinki provision for free emigration, 200,000 East Germans have sought permission to leave, a remarkably high figure in a country of only 17,000,000 where nonconformity carries great risks. The East German government responded by blocking the entrance to Bonn's mission in East Berlin, the place where East Germans came daily to inquire about settling in the West. The blockade was lifted after strong West German protests, but the situation remains tense. The Honecker regime has tried to repress growing protests from intellectual dissidents by exiling some, as in the highly publicized case of the singer Wolf Biermann, and using even harsher measures against others, such as the imprisonment of physicist Robert Havemann and the police kidnapping of writer Jurgen Fuchs who has disappeared entirely.

Of all the figures in the human rights struggle, none has shown greater courage and integrity, than Andrei Sakharov. His continuing struggle in defiance of constant harassment, signifies the inability of the Soviet regime to crush the dissident movement, despite the exiling of most of the prominent Soviet intellectuals and the imprisonment—or confinement in psychiatric institutions—of so many others. The extent of the resistance movement can be estimated from the report of a recent exile who said that inmates in scores of labor camps engage in repeated hunger strikes and collectively mark an annual "Political Prisoners Day."

Of the greatest importance is the protection of Dr. Sakharov who has been warned by the authorities that he risks criminal prosecution if he continues his "slandering activities." In this regard we welcome the recent State Department declaration that efforts to "intimidate" Dr. Sakharov would be in conflict "with accepted international standards of human rights." The subsequent attempt by President Carter and Secretary of State Vance to distance themselves from this stand by saying that the statement was made without their prior knowledge was unfortunate in that it diluted the effect of the declaration in defense of Sakharov and revealed a picture of an Administration both confused in its thinking on the fundamental issue of human rights and unduly timid toward the Russians.

If the Carter Administrations campaign promises to defend human rights are to have any meaning, the President should speak unequivocally in support of individuals such as Sakharov and the Charter 77 group. In particular, the Administration should use the opportunity of the upcoming Belgrade conference to emphasize our country's concern with human rights in the Soviet bloc. To those who say that this policy would mean an end to detente and a return to the Cold War, we have only to remind them of Moscow's insistence on the compatibility of detente and the "ideological struggle." If this is an acceptable formulation for Moscow, it should be for us, too. If, on the other hand, Moscow finds U.S. statements in support of human rights activists in the Soviet bloc inconsistent with detente, then clearly there can be no detente or anything else which implies a relationship of mutual accommodation. In our view, we have had enough of a false detente under Nixon and Ford. The continuation of this policy under Carter would mean the betrayal of the hopes which the new President engendered during his campaign and the abandonment of good and brave people to a cruel fate.

## THE FEDERAL DEBT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BADHAM) is recognized for 5 minutes.

(Mr. BADHAM asked and was given permission to revise and extend his remarks.)

Mr. BADHAM. Mr. Speaker, I would like to call the attention of my colleagues to the sobering state of the Federal debt, which is currently \$652 billion and may exceed \$705 billion by the end of fiscal year 1977—this according to the Department of Treasury. If the debt in itself is not painful enough, it will cost the taxpayers an estimated \$42 billion in fiscal year 1978 in interest alone. This makes the annual net interest on the Federal debt the fourth largest single item on the Federal budget—and that, to me, is appalling.

Now in the interest of stimulating the economy—no pun intended—the administration has proposed a \$50-per-capita rebate on personal income taxes. This rebate plan is going to add \$11.4 billion to the Federal deficit and cost taxpayers an additional \$718.2 million in interest on the public debt.

Many leading economists point out the dangers of such a plan. These include Nobel Prize Winner Milton Friedman, who stated:

The rebate program is not a good way to refuel the economy.

The group of economists predicted that such a program would significantly increase the chances for another boom-bust cycle. These respected economists concluded:

This would be most unfortunate for both the American people and the world community.

I wholeheartedly agree.

Despite these repeated warnings from highly respected sources, the administration has embarked on a course that will take the United States deeper and deeper into the red and make it all that much tougher to eventually stabilize the economy.

At this point, I would like to remind my colleagues that President Carter made the topic of a balanced budget a major issue in the last campaign. I can hardly call a proposed \$57.7 billion deficit for fiscal year 1978 a step forward on the road toward a balanced budget and a stable economy.

I see Government deficit spending as one of the main causes of inflation in our Nation today. If Congress continues to spend beyond the taxpayers' means, our Nation will not be moving toward a sound national economy, but rather toward economic ruin. I am not an alarmist—I am an optimist, and more importantly, a realist. In that light I am introducing a sense of Congress resolution that states a rebate on 1976 individual income taxes should not be enacted by Congress and no rebate on individual income taxes should apply to any taxable year if such rebate will cause an increase in the Federal debt.

If this rebate plan is successful in passing through Congress, it is my intention to return my rebate to the U.S. Treasury to aid in the retirement of the national debt. Now that, I admit, is a little like throwing a glass of water on a raging forest fire, but we must start somewhere. The time is now, and the decision is ours. Let us work to balance the budget—I feel the elimination of the \$50 rebate is a good place to begin.

**REDUCING TAXES IS CENTRAL TO THE PLAN UNVEILED BY LABOR AND BUSINESS FOR THE ECONOMIC REVITALIZATION OF NEW YORK CITY**

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 30 minutes.

Mr. KEMP. Mr. Speaker, New York City's economic condition has been very much on the minds of Congressmen during the past several years. The slump in the State and national economies worsened the city's circumstances, but everyone acknowledged the city has helped cause its own set of economic woes. And, everyone also knew the city would have to go far toward helping itself. The only question was what specifically the city had to do to help itself. Both supporters and opponents of increased aid to the city felt this way.

In the midst of the debt crisis, a group of prestigious business and labor leaders formed a business and working group to come up with answers to the city's problems. The formation of that working group reflected an astute awareness that publicly elected officials in the city have too often stood as roadblocks to the changes needed by it. The working group involved the personal efforts of over 150 management executives and labor chiefs and concentrated on 14 separate job and economic activity areas.

The working group was cochaired by David Rockefeller, the chairman of the board of the Chase Manhattan Bank, and Harry Van Arsdale, the president of the central labor council, AFL-CIO. Other participants in the group were:

Dr. Ivan Bennett, provost and dean of the New York University Medical Center, chairman of the Health and Medical Task Force;

Peter J. Brennan, president of the New York City Building and Construction Trades Council and former U.S. Secretary of Labor, chairman of the Real Estate Task Force;

Edgar Bronfman, chairman of Seagram Co., Ltd.;

Dr. George Bugliarello, president of the Polytechnic Institute of New York;

Sol Chaikin, president of the International Ladies Garment Workers Union, chairman of the Garment and Textiles Task Force;

Howard L. Clark, chairman of the American Express Co., chairman of the Corporate Headquarters Task Force;

Morris D. Crawford, chairman of the board of the Bowery Savings Bank;

Murray Finley, president of the Amalgamated Clothing Workers of America, cochairman of the Garment and Textiles Task Force;

Gabriel Hauge, chairman of the board of the Manufacturers Hanover Trust Co., chairman of the Finance Task Force;

W. H. James, president and publisher of the Daily News;

J. Bruce Llewellyn, president of Fedco Foods Corp.;

Mrs. G. G. Michelson, senior vice president of Macy's, chairwoman of the Retail Task Force;

Edmund T. Pratt, chairman of Pfizer, chairman of the Manufacturing and Industrial Development Task Force;

Hon. John Sawhill, president of New York University, chairman of the Education Task Force;

Martin Segal, chairman of Wertheim Assets Management Services, Inc., chairman of the Culture Task Force;

Richard R. Shinn, president of Metropolitan Life Insurance Co.;

Herman Soifer, president of the New York Men's Clothing Association;

Robert Sorg, chairman of the board of Sorg Printing Co., chairman of the Printing Task Force;

Arthur Sulzberger, publisher of the New York Times;

Arthur R. Taylor, chairman of the Communications Task Force;

Charles C. Tillinghast, Jr., chairman of TWA, chairman of the Port and International Trade Task Force;

P. Robert Tisch, president of Loews Corp., and chairman of the Tourism Task Force; and

Cyrus R. Vance, of Simpson, Thatcher & Bartlett, and now the Secretary of State, chairman of the Business Services Task Force.

I wish to report to Congress the findings of this group. It has not only given us answers to the economic problems of New York City and State, but has also proved that business and labor can work hand-in-hand to meet common objectives. This is a point I made when I helped bring business and labor together in the Buffalo area in 1974 to start work on the same objectives.

**IMPROVING NEW YORK'S ECONOMIC CLIMATE**

I am heartened by the findings in this new report, "Summary Report of the Business and Labor Working Group on Jobs and Economic Regeneration in New York City." I am pleased to see the report draws conclusions parallel to those I set forth during the debt crisis, in subsequent papers and remarks on the economic problems of the State, and in a major address last September before the Associated Industries of New York in Albany.

In that Albany address I set forth this principal point:

Now is the time for New York State itself to reduce the tax barriers to both employment and investment. Across-the-board tax cuts actually would increase State revenues

because of increased economic activity, consumer purchasing power, and upturn in investments in plants and tools, and additional jobs. It is certainly the only means of revitalizing the State without having to curtail severely public services.

One cannot overestimate the impact of these tax burdens. And one certainly cannot overestimate their impact in pushing businesses and people out of the State. Businesses suffer under these tax burdens because those taxes mean less with which to expand plant and equipment, distribute as dividends to shareholders, or distribute as wages and benefits to workers. Business executives suffer under these burdens because of the personal tax rates they have to pay. Thus, as decision makers within business, when the question comes up, should the business remain in or leave New York State, they are pushed in the direction of moving elsewhere. The work force suffers under these burdens because of the tax rates they have to pay, tax rates which leave them with less take-home pay than they would be getting in other areas of the country.

What emerges from this is the necessity of reducing tax rates on Federal and State levels. This is the route we should be following. It is straightforward. It will have the greatest positive, job-creating impact on the economy. And it does not smack of tax loopholes. If a legislature is unwilling to face up to the necessity for across-the-board tax rate reductions, other types of tax incentives may be needed—credits, accelerated depreciations, forgivenesses, et cetera. But those incentives should be last resort measures. Such incentives are giving back with one hand what the same governments took with the other, making it look like those governments are doing a big favor for the taxpayers when they really are not. In reality, those governments are trying to give some degree of relief for tax burdens already so high they know the necessity of such relief. Using special incentives also has the unfortunate potential of shifting the percentages of total tax burdens borne from one type of taxpayer to another. Lastly, tax rate reductions produce total tax revenue increases through increased business activity, thus enabling us to both cut taxes and maintain services simultaneously.

The new business and labor report minces no words in endorsing this study and calling for swift action. The report concludes:

All of the working groups have concluded that the rising level of New York City and State taxation of individuals and businesses is increasingly uncompetitive and a major cause of job loss. Indeed, our studies strongly confirm reports of other organizations that many elements of the City and State tax structures are counter-productive to future industrial and employment growth in New York City. Public tax policy must recognize that a lesser share of something is better than all of nothing, and that it is the tax base with which we must be increasingly concerned.

We particularly urge thorough study and swift action with respect to the following areas:

First. Reduction of the stock transfer tax on transactions with the public.

Second. Alleviate noncompetitive business and manufacturing taxes. These include the occupancy tax, the tax on machinery and equipment, the executive alternative tax, and the sales tax on advertising and printed matter.

Third. Work toward parity in bank taxation.

Fourth. Stabilize and reduce the real estate tax. High real estate taxes have an increasingly serious impact on New York's commercial and residential base, and

Fifth. Taxation of individuals. Recent studies point to the fact that New York's high personal income taxes are noncompetitive with our neighbors, and thus a continuing source of job erosion in corporate headquarters, manufacturing and related service areas. This disadvantage erodes not only the general job base, but also the middle and upper middle income residential and professional base necessary to the city's future.

Action to make New York taxes more competitive is imperative.

We urge that a complete tax review continue immediately and include three elements:

First. Specific job impact analysis by sector. In order to determine appropriate tradeoffs, every tax should be evaluated from the point of view of jobs lost or jobs created—its economic impact versus its impact on revenue—and this should be the prime criterion for tax change.

Second. An ongoing effort, involving both business and labor. We recommend that some ongoing mechanism be created, involving business, labor, State and City officials, to review tax issues in a consistent manner, and

Third. A recognition of longer-term, overall policy needs. In taxation, the natural tendency seems too often to find the nearest available goose, squeeze it for what it is worth, and then go on to the next subject. We would urge that future tax policy should take greater account of broader goals such as the encouragement of employment, as well as energy conservation or housing rehabilitation.

The city and State of New York—the mayor and council, the Governor and the legislature—would be well advised to take heed of these recommendations and pursue the course offered. Unfortunately, that is not the course being followed by either the mayor or the Governor.

The mayor has proposed additional real estate taxes of up to \$485 million, and his temporary finance commission has recommended a double New York City tax on nonresidents. The Governor has proposed selective individual tax reductions which will ultimately increase the tax burdens borne by the lower- and middle-income groups, as upper-income groups continue their exodus because rates applying to them were not similarly reduced. Plus, the Governor wants to extend the devastating corporate income surtax which is inhibiting capital investment in New York.

If the business climate is going to be improved in New York—and it must be improved if we are ever to stop and then reverse, the outflow of industries, jobs, and dollars—it will require a lot more forward thinking than the mayor and the Governor have shown to date. I will return to this point in a few moments.

#### WORKING GROUP'S PROPOSED ACTIONS TO IMPROVE THE ECONOMIC CLIMATE

The business and labor working group report makes a number of additional recommendations, couching them in terms of what the real problems are. That report makes a persuasive case, and I will attempt to summarize it here.

Increased fiscal self-discipline must be accompanied by vigorous actions to maintain and strengthen the city's economic and job base. There is consensus that private sector jobs have too long been taken for granted, so that the present economics of doing business in New York are often uncompetitive. There is, therefore, a need for greater emphasis on economic factors in a manner that recognizes the common good. Those most concerned with jobs now feel that too often short-term or highly localized or vocalized special interests have been allowed to destroy efforts for the general and basic public well-being. Lastly, there is the need for ongoing cooperation between management and labor and between the public and private sectors. New York has vast, often unrecognized and enduring sources of strength. Not the least of these is the fact that business and labor could work so closely together in an effort of this importance.

The costs of doing business in New York have historically been relatively high, but they have been offset by solid competitive advantages in terms of such factors as location, labor supply, marketing and supportive services. In recent years, however, these and other advantages have diminished at the same time costs have continued to escalate. The result in many cases is a highly noncompetitive position that has led to the loss in New York City of 582,900 private sector jobs since 1969.

The working group then identified a wide range of economic disadvantages that should be corrected, as well as economic opportunities that should be built upon. Their recommendations fall into five categories: Tax reform, regulatory reform, business development, promotion and marketing, and capital projects, and investments.

I have already discussed their findings as to tax reform.

#### REGULATORY REFORM

As to regulatory problems, there are recurrent themes which demand immediate attention. The State and the city's regulatory agencies must include a greater awareness of their impact on economic vitality and jobs in their decisions.

In order to improve the economic environment with respect to the burdens of regulation, the working group proposed six actions:

First. Cut the redtape by creating time limits for the issuance of permits, by using one-stop reviews wherever possible, by the preparation of a clear guide to city agencies, by giving authority and resources to the Office of Economic Development in order to serve as a central point of clearance and arbitration in regulatory matters, and by eliminating

duplicative and unnecessary regulatory agencies and functions.

Second. Create local improvement mechanisms, including in-place industrial parks.

Third. Change the city's purchasing policies to bolster New York's economy, urging that a new formula be created to acknowledge the overall economic impact of using indigenous suppliers.

Fourth. Improve New York's position as a center of world trade.

Fifth. Reduce energy and utility costs. And last, mitigate the impact of trade regulations adverse to New York's economy.

#### BUSINESS DEVELOPMENT

New York City and State possess a host of potential tools to attract businesses to the city and assist business expansion, but New York has a poor record at best of accomplishment in these areas.

The working group, thus, recommended the following actions:

First. Focus and augment existing public efforts, providing realistic supportive budgets. The Public Development Corp., for example, does not have a budget for advertising or the payment of brokerage fees to attract new business. A major stumbling block to the implementation of an effective development strategy is the provision in the State constitution which restricts the ability of public agencies to provide money or other services for necessary projects. Thus, the working group urged the current gifts and loans provision of the constitution be altered so as to facilitate the assemblage, preparation, and marketing of industrial parks and related facilities.

Second. Explore the creation of a private industrial development bank to facilitate small business financing needs.

Third. Extend the assistance of the job development authority to employers who rent additional space for the purpose of increasing production and thus provide more job opportunities. It would also be desirable to amend the New York State constitution to authorize the job development authority to participate in the financing of the purchase of machinery and equipment acquired by a firm whether or not such equipment is located on the premises it rents or owns.

Fourth. Involve business and labor leadership more deeply in the business development process.

Fifth. Institute a private sector buy New York campaign.

#### PROMOTION AND MARKETING

Because of New York's longstanding attractions and strong competitive position, the city has never felt the need to launch a large-scale promotion and/or business attraction campaign. Times have changed. As the city's image has become tarnished in spots and competition from other localities has stepped up sharply, the city has lost nearly all of its edge.

The working group feels it is essential that New York mobilize all available resources to maintain and attract both people and jobs. Real assets must be exploited and built upon through the im-

plementation of a comprehensive and completely professional marketing plan, perhaps including a new public/private mechanism focused solely on marketing. Toward this end, the working group recommended three actions.

First. Creation of a unified point of strategy and appointment of a director for the city's marketing effort.

Second. Augmentation of the city's convention and tourism efforts.

Third. Speaking up more for the city. I think all of us who are sympathetic to the problems of New York have felt this has been one of the biggest problems—too few people speaking up for what is right with the area.

#### CAPITAL INVESTMENT

Capital investment by both the public and the private sectors is essential to New York's present and future job base. Most of the suggestions in the working group's report, particularly those directed at tax reform, are aimed at maintaining the current or attracting new private sector investment. The importance of this should be readily apparent, when one reflects on the fiscal situation in the city and State, one which makes any public sector investment highly problematical no matter how important. The working group did recommend two major projects of special merit, urging they proceed with all possible speed—the Westway project and the convention center.

The working group also makes important recommendations respecting public and private policies and actions with respect to the quality of life.

#### GOVERNOR CAREY'S NEW TAX PROPOSALS: ARE THEY A STEP IN THE RIGHT DIRECTION?

On January 18, Governor Carey presented his budget, containing the features he had outlined in his state of the State message for revitalizing the State's economy. Unfortunately, I believe that the Governor is taking the wrong approach and that his proposals, if enacted, will do nothing to reverse economic stagnation throughout New York.

It is clear to most that a reversal of the factors which caused industry to leave New York would also cause a reversal of this trend. Since high tax rates are the most important of these factors it is the one which needs the most substantial revision.

To his credit, Governor Carey does make a cut in taxes a feature of his program. He has proposed elimination of the personal income tax surcharge; a move designed to return \$100 million back to the people each year. He also wants to make additional cuts of \$100 million aimed at low and middle income groups. This will make a total of \$200 million in tax cuts, but unless they are across the board they will be counterproductive.

These tax cuts should have been across the board on all New Yorkers, because the problem is not just taxes in the lower and middle income people but on upper incomes as well and they are deserting the State. It is the higher income people and businesses who when affected by high marginal tax rates, leave the State. If nothing is done to give incentives to

these groups as well there will be no change in their migration to the sunbelt or other areas where the cost of government is considerably lower and they are not abused.

Along with a general reduction in everyone's tax rates, New York must also eliminate the corporate surtax. This would immediately have positive effects on New York businesses plus attracting new investment into the State. I know this will take courage, but New York needs a departure from politics and economics as usual.

Instead of addressing himself more fundamentally to the problem of high taxes, Governor Carey proposes several things designed to lure businesses back to New York: First, an increase in the budget of the job development authority; second, an increase in capital construction projects through a \$750 million bond issue; and third, additional efforts to secure commitments for building projects from the Federal Government and the Port Authority of New York and New Jersey.

What is wrong with this strategy is that the job development authority cannot attract new business until it has a better product to sell; namely, a better climate for investment through reduced taxes. Floating another bond issue only mortgages the future and repeats the same errors which got New York City and New York State into their present situations. After all, today's bond issue is tomorrow's taxes anyway. And Federal matching funds will still require new expenditures by the State for projects that cannot be sources of future tax revenue or employment. Though some jobs will certainly be created by these efforts in the short run, they cannot possibly begin to put New York State back on the path of sustained economic growth and prosperity.

The Governor's problem is understandable. Cutting taxes appears to result in a reduction of State revenues since he is constitutionally mandated to balance the budget each year, it is difficult for him to see how this could be otherwise. But the fact is that substantial permanent cuts in tax rates would not mean a loss in tax revenues. New jobs would be created, businesses would be able to expand, profitability would increase, the business migration out of New York would stop, and workers and consumers would have greater disposable incomes. The increase in productivity, capital spending, and jobs would produce enough new revenue to more than offset the cut in taxes. These will be permanent jobs in the private sector, producing additional revenues year after year, rather than temporary jobs in the public sector which can only exist on increased taxation.

#### THE FUTURE COURSE

As I said, it will take great courage to reverse the course that New York has followed for decades and learn some lessons from the corresponding growth in other parts of the country. A simple comparison will show that the level of taxation is by far the most significant difference between the economies of the Northeast and the Southwest. Consequently,

the tax rates are the first things which must be revised in any program to stimulate the economy of New York and revitalize the Northeast.

When the Congress is being encouraged to authorize additional Federal assistance for New York, the working group's report and the Governor's proposals become very relevant. The Congress needs to know what New Yorkers are doing to improve their economic condition. The Congress certainly needs to know there is movement toward abandoning the spend-and-tax-and-spend policies which got New York into trouble to start with. It needs to know how much or how little hope there might then be for New York getting back on its feet again in the near future. The working group report shows that some influential New Yorkers are prodding the State's and city's elected officials to move in the right direction. We should be encouraged by it regardless of politics for the good of New York and the good of our Nation.

#### PUBLIC WORKS IMPROVEMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. McKINNEY) is recognized for 5 minutes.

Mr. McKINNEY. Mr. Speaker, despite the fact that Connecticut's Fourth Congressional District received \$11,426,947 in title I public works funds last December, I was sorely disappointed that the Economic Development Administration's ultimate selection process resulted in some rather obvious and severe inequities.

At that time, I and a number of my colleagues requested a Government Accounting Office—GAO—study of the program to determine "whether this Agency—EDA—is following Congress expressed intent in this act, and whether, as presently administered, the act will have the desired effects of stimulating the economic recovery and reducing unemployment."

That study, released just yesterday, identifies several statutory changes which would serve to direct round II public works funds to those people and places most in need of this type of stimulus. Therefore, I am pleased to rise in support of H.R. 11—a bill which contains most of those improvements—and urge prompt approval of this increased funding proposal.

It is not often we get a chance to "fine-tune" one of our legislative efforts so soon after its initial implementation. However, by eliminating the 70/30 percent funding split, eliminating gerrymandered unemployment figures, expanding the unemployment criteria from 3 to 12 consecutive months, and by requiring applicants to rank their project proposals, this bill corrects the statutory flaws which resulted in disproportionate suburban awards and too often left our cities drastically underfunded. Furthermore, this increased urban focus enables public works dollars to more immediately and directly create employment among construction and materials workers now forced to draw upon overburdened urban

welfare and unemployment rolls. Although the scant reliable analysis available indicates that public works projects have only an indirect impact on unemployment among the unskilled, the young and minorities, I believe these improvements will serve to spread the benefits of construction stimulus to those groups as well.

In addition, H.R. 11 mandates a priority for energy conservation and energy efficient projects—a wise move in view of a severe winter which has only aggravated energy-related unemployment. This bill also requires materials and equipment used in public works projects to be of U.S. origin. While I agree this idea has a nice ring, it is practically impossible and politically unwise. Amendments to strike this clause and require only American laborers on public works projects—a provision strangely absent—would be welcome.

To accompany these statutory changes, EDA has promised to alter those aspects of its allocation formula which diluted the impact of the program. The use of State planning targets, the coordination of area and local benchmarks, the accumulation of round I unfunded benchmark figures and round II benchmarks, and the deemphasis of per capita income in the scoring process will meet the complaints of those who felt that December's awards funded projects to distant from real unemployment pockets and ignored cost of living differentials. Also, by establishing December 23 as the deadline for round II applications, this legislation recognizes that Congress grossly underestimated the demand for public works moneys in the first place.

In testimony I submitted to the Economic Development Subcommittee of the Public Works and Transportation Committee, I noted the experience of the seven Connecticut cities and towns I represent in applying for public works grants and suggested how these statutory and administrative changes would improve the programs' impact there. Another administrative change which I believe to be necessary is the designation of a separate New England EDA region. Presently, EDA's Region I office in Philadelphia is responsible for the largest and certainly most diverse constituency consisting of 16 Eastern States. Not only do New England's unique employment needs go unaddressed in that regional plan, but practically speaking, the Philadelphia office was unprepared and ill-equipped to handle the volume of applications it was required to score. In my view, a separate New England region would make the program both more effective in meeting its stated goal of reducing hard-core unemployment and more efficient in adequately evaluating program applications.

I received word this morning that the Department of Commerce and EDA officials have tentatively agreed to reestablish a New England regional office of EDA. This is most encouraging news and I only hope that office can be functioning in time to facilitate future public works, countercyclical aid and economic development efforts.

Critics of increased public works funding cite the traditionally long lead times for such projects and voice fears that H.R. 11 will inflate an already stimulated economy rather than stimulate a sluggish one. Given the volume of worthy applications worth more than six times the maximum spending levels we authorize today, I see this bill as providing a solid base of economic recovery activity through fiscal year 1980. Both present and proposed requirements that preference be given to fast-starting, labor-intensive projects should insure that public works funding remains a non-inflationary part of our overall economic improvement process.

#### LEGISLATION TO INSURE INCREASES IN SOCIAL SECURITY ARE PASSED THROUGH TO INDIVIDUALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 5 minutes.

Mr. WHALEN. Mr. Speaker, today my colleague from Ohio (Mr. SEIBERLING) and I will introduce a package of five bills targeted at seven means-tested Federal programs which normally allow individuals who also receive social security to be adversely affected by automatic cost-of-living increases in the social security program.

Currently, increases in social security benefits are counted as income for the purpose of participation in other Federal aid programs. When the income of a recipient of a means-tested program increases, that benefit does not necessarily go to the individual. Instead, it may be withdrawn in effect by increased rents in public housing, by increased charges for food stamps, by loss of eligibility for programs such as supplemental security income—which also affects eligibility for medical care under medicaid, by decreased veterans' benefits or similar actions.

The purpose of today's legislation is to insure that intended increases in social security income are indeed passed through to the individual.

Approximately 40 Members are joining us today in the initial introduction of this legislation. During the 94th Congress, 144 Members endorsed resolutions expressing the sense of the Congress that automatic cost-of-living increases in social security should not trigger cut backs in Federal or federally assisted programs. In May of 1976, our colleague from New Jersey (Mr. RINALDO) succeeded in attaching an important amendment to the Housing bill which would have prevented social security recipients from receiving automatic rent hikes at public housing projects as a result of the July increase in their social security checks. This amendment carried in the House by 260 to 99, but was dropped by the Senate.

For too long we have given with one hand and taken away with the other. This cruel hoax is worked against those who have been hardest hit by our continuing inflation, the elderly and the poor.

The five bills we are introducing at this time, if enacted, would prevent this recurring injustice in the following areas: Veterans' pensions for nonservice connected disability and some veterans' compensation; certain Federal housing programs; aid for families with dependent children; supplemental security income in some States; medicaid; the food stamp program and distribution of surplus commodities.

#### TARIFF ON CANCER DRUG PLACES BURDEN ON PATIENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Delaware (Mr. EVANS) is recognized for 5 minutes.

Mr. EVANS of Delaware. Mr. Speaker, as we all know, cancer has become one of the most dread diseases in the United States today. Millions of dollars are being spent by the Government and private industries for research aimed at stemming the ever-increasing tide of fatalities from this disease.

One of the most promising avenues in the care and treatment of the cancer patient is in chemotherapy treatment by a variety of drugs aimed at preventing the further spread of cancer and hopefully controlling this disease.

One drug recently introduced into the United States which has demonstrated significant activity in the treatment of cancer is trademarked Adriamycin doxorubicin hydrochloride. Because of its method of manufacture, this drug is classified as an antibiotic and comes into the United States from Italy with a 5-percent tariff imposed under section 437.32 of the Tariff Schedule. My bill would suspend this duty for 2 years. The drug is manufactured in Italy and the U.S. patent is held by an Italian pharmaceutical company.

Mr. Speaker, this drug is used in the treatment of acute leukemias, malignant lymphomas, Wilm's tumor, soft tissue and bone cancer, and cancers of the breast, lungs, ovaries, bladder, and thyroid. Adriamycin is cytotoxic, that is, it kills cells and its activity in killing cancer cells was significant enough to attract the National Cancer Institute as the sponsor for the new drug application approved in 1974.

The National Cancer Institute itself is the single largest domestic customer for this material. Because of the toxicity of this drug, it is used solely as an anti-neoplastic agent and is recommended for use only by physicians qualified in the area of cancer chemotherapy. Treatment with Adriamycin requires close observation of the patient and extensive laboratory monitoring.

Adriamycin, although it cannot be considered a breakthrough or a cure for cancer, does occupy a specific and well-received place in the field of cancer patient care. Adriamycin is not produced in the United States and it is not in direct competition in the marketplace with other antineoplastic agents. Instead, it augments or supplements other forms of

treatment and the use of other anti-neoplastic drugs.

The nature of this drug is such that it is administered periodically over a period as long as 6 months. A course of treatment could cost as much as \$1,200 to \$1,500. As mentioned, the single largest customer in the United States is the National Cancer Institute. This Government contract provides that the National Cancer Institute shall receive a reduction in the price of the drug as of the effective date of any suspension of the tariff.

The domestic distributor also intends to register a general price reduction should the tariff be suspended.

The suspension of the tariff will have a significant and immediate effect on the medical costs, which are placing a heavy burden on many cancer patients.

I urge swift consideration of this measure.

#### WORKERS' COMPENSATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. SARASIN) is recognized for 30 minutes.

Mr. SARASIN. Mr. Speaker, I rise at this time for the purpose of calling your attention to the January 19, 1977, report of the Policy Group of the President's Interdepartmental Workers' Compensation Task Force. That policy group consisted of representatives of the Departments of Health, Education, and Welfare; Labor; Housing and Urban Development, and the Office of Management and Budget.

In December 1970, before I became a Member of this body, the events leading to this report were set in motion with the enactment of the Occupational Safety and Health Act. However, most of us are aware that OSHA created the first National Commission on Workers' Compensation which was authorized to conduct a study to determine if the workers' compensation statutes of the 50 States provided for an "adequate, prompt, and equitable system of compensation" for work-caused injuries and diseases. In its mid-1972 report the Commission made 84 recommendations for the improvement of State workers' compensation laws and their administration. The Commission labeled 19 of those recommendations as essential and urged uniformity in those areas. It further recommended the creation of a second commission to evaluate and chart the progress of the States and to assist them in their efforts to comply with these 19 essential recommendations. The January 19 report of the policy group outlined the accomplishments of the States and the task force, as well as its recommendations. Not yet available are the underlying research studies and reports on the results of its technical assistance to the States.

At the same time that the task force was engaged in this task, the predecessor of the Subcommittee on Compensation, Health, and Safety on which I then served and am now ranking member, held extensive hearings on bills to establish Federal standards for those State

laws. In my view, these bills and hearings did not resolve some of the more serious questions regarding the feasibility and necessity of federalizing the workers' compensation system at this time. The task policy group has concluded that "legislation to federalize the system is not warranted at this time."

While the policy group "assessment of the progress which has been made by the States shows that they have put forth considerable effort to improve their workers' compensation systems," it recommended that "the technical assistance effort be increased significantly in size" and that the "Federal Government offer an appreciable amount of short-term grants to States interested in installing data systems and implementing particular reforms." The policy group report declared that an "active and effective role for State workers' compensation agencies is central to its recommendations." The case the report makes for formalizing and increasing technical assistance, grants to the States and monitoring of their progress cannot be ignored.

I have noted with interest that prior to our having the benefit of this latest report, JOSEPH GAYDOS, my colleague and the new chairman of the subcommittee has introduced a bill on the subject (H.R. 2058). I feel that the subcommittee should continue its activities in the national effort to improve the workers' compensation laws of the 50 States. To that end I look forward to the hearings where we will have the benefit of the underlying research studies and findings and reports on the results of the task force technical assistance effort. As these hearings progress I hope to be able to keep you advised on matters of significance as they develop.

#### COFFEE PRICES, WHY ARE THEY SO HIGH?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, the higher and higher prices of food are of increasing concern to me. This week, two House subcommittees held hearings together on one important commodity—coffee—which has tripled in price in the past year alone.

I wanted to offer my testimony at these hearings because I feel that even though coffee is not an integral part of anyone's diet, finding out why prices have skyrocketed is necessary if we are going to avoid this situation with other products.

The following is my testimony delivered on February 22 before the Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition; and the Subcommittee on Commerce, Consumer, and Monetary Affairs:

TESTIMONY OF REPRESENTATIVE FRANK ANNUNZIO, CHAIRMAN—CONSUMER AFFAIRS SUBCOMMITTEE

Mr. Chairman, as both a consumer advocate and a coffee consumer, I have spent a great deal of time trying to decide whether or not to join the nationwide coffee boy-

cott. I have a few thoughts to offer you today which I don't believe will provide as many answers, as take-off points for discussion on why prices are so high, and also how to avoid future upheavals with other internationally traded commodities.

I sincerely hope that at the end of these hearings we do have more answers in these admittedly technical areas of international trade, for it is the consumer who is paying the tripling and quadrupling prices. We may not be able to bring prices back down to pre-1975 levels, but we can at least try to offer some sound explanations as to why not.

I would first like to address myself to the present state of affairs in Brazil because I feel that is where the key to this problem rests. I am sure we are all aware that Brazil's annual production of coffee represents the bulk of America's consumption and world production. Certainly, in world-wide coffee economics, what is good for Brazil must be good for America.

#### NOT A TRUE SUPPLY-DEMAND SITUATION

This would be accurate in a true supply-demand situation. But I maintain that recent developments both inside Brazil, and between Brazil and other countries, has caused a distortion of that type of market and are the reasons coffee prices are so high. Sure, the frost is significant, but it is not—in my opinion—the factor pushing our prices toward \$4 a pound.

Brazil has had problems recently which are not matched anywhere else in the world. This country, which was once labeled "The Economic Miracle" during the late 60's and early 70's, is fast becoming an economic shambles.

To elaborate quickly, Brazil is experiencing growth pains. Its standard of living has been raised remarkably in the past ten years, creating a huge market for imported goods. This also holds true for industry; the demands for higher technology have caused the importation of expensive computers and machinery. The result is a total national debt of about \$28 billion, with an import-export deficit of \$2.3 billion last year alone. Add this economic drain to that created by the quadrupling of oil prices in the past five years, and you have an inflation rate of nearly 50% there. All of this—I am very sorry to say—has had a devastating effect on Brazil's economy.

#### COFFEE IS LIKE OIL IN INTERNATIONAL TRADE

Another statistic which I want to inject here is the fact that coffee is the world's second most-traded commodity. That is, next to oil, coffee is the second biggest product in the international marketplace. And like oil, coffee is money. And hoarding, profiteering and speculation seem inevitable.

Brazil has shown its economic genius in the past, but I am afraid that its present state of affairs coupled with the strong lesson of the oil cartel successes, have caused them to want to "spread the wealth" or devastation, so-to-speak, to the U.S. consumer. By withholding coffee from the market and triggering a doubling, tripling and finally a quadrupling of the price of coffee, the Brazilians might just be hoping that the American consumer won't mind paying off some of that debt for them.

The hard part to admit, Mr. Chairman, is that there is nothing illegal about this. Objectively, it even makes sense. If the American consumer is willing to pay \$4 per pound and Brazil needs the money so badly, why not keep the coffee back?

My position is this—if we are going to have a Brazilian foreign aid program, let's organize it, publicly announce it and fund it through the usual legislative processes. Let's not allow Brazil to design one around our addiction to a couple of cups of coffee in the morning. Consumers pay taxes which are supposed to fund our foreign aid programs and

payments into multilateral bank loan programs. If Brazil needs money, let them borrow it from the World Bank like other countries do.

I do not want to present my views solely as an attack on Brazil, but I feel that Brazil is the leader of coffee producers—if unofficial—and that Columbia, the Ivory Coast, Nicaragua and all, more or less look to Brazil for leadership. When Brazil raises prices, the others raise prices. The price went from 50 to 80 cents per pound as soon as the Brazilian frost damage became known in July of 1975. Other countries followed right along, despite the fact that no damage had been suffered there at that time.

Brazil has also bought coffee from El Salvador and others to keep it off the market until the price was higher and they smacked on a steep export tax of five times the pre-frost level. This means now that Americans pay \$1.2 billion a year in taxes alone for the privilege of importing Brazilian beans.

#### UNITED STATES AND BRAZIL DIFFER ON CROP SIZE

Estimates vary, but U.S. Department of Agriculture predictions of the Brazilian crop far exceeded Brazilian promises. The latest figure showed a differential of 2.5 million bags. That's about 330 million pounds of beans! Therefore, I think one of the biggest questions to be answered in these hearings is whether those stockpiles of coffee which Brazil held a year ago in excess of 20 million bags, have indeed been depleted, or whether there is a serious attempt at boarding here. If there is, then I suggest some official U.S. moves which will make it clear that the United States will not condone the use of this mechanism against the American pocketbook.

This brings me to the second area I would like to discuss this morning and that is our international trade agreement on coffee. I have serious reservations as to whether this was an actual agreement or a concession on our part. The idea sounded good: help the frost-ridden producers by assuring them a minimum price later if they will work hard to replant now. In return, those producers were supposed to ship their reserve supplies to the United States now in an effort to lower skyrocketing prices.

#### COFFEE AGREEMENT SHORTCOMINGS

It sounded like a great agreement, accomplishing the stabilizing effects it was supposed to.

But, in establishing a minimum price we consumers will pay, the agreement sets no ceiling. No level was set which, in effect, guarantees the same protection for the consumer that is guaranteed for the producer by the minimum level. The way it turned out, producers are always protected; consumers aren't.

The International Coffee Agreement also includes no provision which penalizes stockpiling. Indeed, this one issue which has become so important now, was a point of contention between the Americans and the Brazilians during the negotiations. The U.S. finally compromised and an agreement was reached. According to the Wall Street Journal of November 28, 1975:

"The U.S., which has long suspected Brazil of market-rigging by withholding supplies at crucial moments, sought to penalize nations that don't fulfill their quotas. Brazil adamantly refused any sanction. The compromise rewards nations that allow their deficits to be reallocated, but doesn't penalize those that don't.

Therefore, Mr. Chairman, I submit that our negotiators entered into this agreement knowing full-well that it might someday sanction hoarding at the expense of the American consumer, and that that someday was at hand since the agreement was made only four months after the frost. Given the

fact that despite Brazilian attempts to convince us of severe crop shortages, I have yet to see a supermarket shelf which isn't packed with quality Brazilian coffee at three to three fifty a pound.

The final reservation I have about the ICA is that it provides that one-tenth of one percent of the price of each pound of coffee be put into a promotion fund. That means that the U.S., which is expected to buy about 2.64 billion pounds of coffee this year, will be throwing in millions of dollars for advertising in order to be convinced to drink more of it. Now, I'm not one of those who believes that coffee is an addictive drug, but I do NOT feel it is a healthy habit. As a matter of fact, I have read of several medical studies which associated coffee with ulcers and heart disease, and cited the possibility that coffee could be linked with birth defects and bladder cancer. In light of this, adding to the price of coffee to pay for promotion seems irrational. But I would at least hope that our priorities would require that we match that amount with study grant money which might help determine what effects coffee truly has on the medical well-being of Americans.

Finally, Mr. Chairman, just let me throw out a few more thoughts about the importance of this situation from a more general perspective and about why I decided to support the coffee boycott.

It appears now that all food prices are going to go up again later this year. With the severity of the winter in Florida and in other food producing states and the horrible drought currently threatening crops in the West, we can expect to spend more than ever on food. Beef producers who cut back because of high grain prices in the past two years will also be bringing in far less meat than last year and the result will be higher prices there too.

#### FOOD PRICES RISE

A few years ago, food prices amounted to less and less of each paycheck. Today, that trend has been reversed. An average family today pays more in food prices than on any other necessity. And incomes are only increasing about one-half as fast as food prices.

The Carter Administration has made it clear this winter that the key to our future will be in our willingness to conserve. That implies a readiness for Americans to give up some of their creature-comforts. That may mean we eat less steak, it may mean we give up our big cars, or it may mean we turn our thermostats lower than ever before. But our future depends on our willingness as a population of two hundred and ten million to do these things in unison.

Coffee is not a necessary part of anyone's diet. It is not something Americans are going to have to have in the future. Right now, however, we are paying triple last year's price for every pound and crop blight and American dock worker disputes threaten to make the situation even worse. My point is that unless we can cut back and show the producers of coffee and the producers of oil and of every other limited commodity that we can do it, we will be vulnerable to repeated shortages. And declaring economic war will become the prevalent way to do business in this world.

#### RENEGOTIATION REFORM ACT OF 1977

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. MINISH) is recognized for 10 minutes.

Mr. MINISH. Mr. Speaker, I am today introducing the Renegotiation Reform

Act of 1977. The following members of the Subcommittee on General Oversight and Renegotiation are joining me as cosponsor of this measure: Mr. EVANS of Indiana, Mr. GONZALEZ, Mr. ANNUNZIO, Mr. ALLEN, Mr. MITCHELL of Maryland, and Mrs. SPELLMAN. In addition, I am pleased that Chairman HENRY S. REUSS of the full House Banking, Finance and Urban Affairs Committee and Chairman JACK BROOKS of the House Government Operations Committee have agreed to cosponsor the legislation. Mr. STEWART MCKINNEY formerly of the subcommittee, is also a cosponsor.

Renegotiation is the process under which the Government attempts to reclaim excessive profits on defense and certain other Government contracts. Unfortunately, authority under the law was allowed to expire last September when the Senate failed to consider comprehensive House-passed legislation to reform the act.

The bill I am introducing today would revive the authority for renegotiation retroactively to last September, and make the act itself permanent. It is clear that we must do our utmost to see that the American taxpayer is not "ripped off" by excessive profits on defense contracts relating to the national interest and national security of our country.

The Renegotiation Act has been extended 14 times since 1951. These short term extensions have adversely affected the operation of the Renegotiation Board by discouraging the development of long-range planning, long-range programs, and the recruitment of a high caliber professional staff. By making the act permanent, we will alleviate these problems and provide continuous assurance that the American taxpayer is not being overcharged in his investment in our Nation's defense.

In brief, other important provisions of the bill include a grant of subpoena power to the Renegotiation Board and its regional boards in order that they may have access to sufficient and adequate information on which to base their decisions. The bill also requires auditing of information submitted to the Board and provides that renegotiation will be conducted by division and major product lines within a division. This latter provision should be especially effective in preventing the large conglomerates from averaging profits and losses from unrelated product lines in order to escape renegotiation.

In order to insulate the Board from political pressures, the bill grants staggered, 5-year terms for Board members and provides that no more than three members may be from the same political party.

Presently, a large proportion of the filings with the Renegotiation Board are tardy. The bill, therefore, provides civil sanctions for contractors who fail or refuse to file required information with the Board.

The measure modifies the standard commercial articles exemption and repeals the oil and gas exemption. In addition, it increases the minimum amount

subject to renegotiation from \$1 to \$2 million, thus allowing many of the smallest Government contractors, who now bear a disproportionate share of excessive profit determination, to escape the process entirely. This "minimum filing floor," Mr. Speaker, has not been raised since 1956.

The Subcommittee on General Oversight and Renegotiation will conduct hearings on this legislation in the near future. I am hopeful that both the House and Senate will recognize early in this Congress that there is a need for an effective renegotiation process.

At this point in the Record, I include a section by section summary of the proposed bill:

**SECTION-BY-SECTION ANALYSIS OF PROPOSED RENEGOTIATION REFORM ACT OF 1977**

**SECTION 1.—Title:** This section provides that the Act may be cited as the "Renegotiation Reform Act of 1977."

**SECTION 2.—Removal of Termination Date:** Paragraph (a) of Section 2 removes the termination date of the Renegotiation Act of 1951, thereby making the Renegotiation Act of 1951 permanent.

Paragraph (b) of Section 2 redefines excessive profits by deleting the phrase "war and peacetime products" and inserting "renegotiable and nonrenegotiable products and services."

Paragraph (c) of Section 2 is a technical amendment which reflects the reorganization of the Atomic Energy Commission. The provisions of the Renegotiation Act will now include the Nuclear Regulatory Commission and the Energy Research and Development Administration.

**SECTION 3.—Terms of Office and Political Affiliation of Members of the Renegotiation Board:**

Paragraph (a) of Section 3 grants the Board members a five-year term of office and provides that no more than three members of the Board may be members of the same political party.

Paragraph (b) of Section 3 provides that paragraph (a) shall apply only to members appointed to the Board on or after January 1, 1978, and further provides that members of the Board as of December 31, 1975 shall be appointed for terms ending December 31, 1978, 1979, 1980, 1981, and 1982.

**SECTION 4.—Procedures for Renegotiation:**

Paragraph (a) of Section 4, Subparagraph 1, provides that the Board shall make an agreement with the contractor with respect to elimination of excess profits or the Board shall issue an order determining the amount of excess profits. Further, it provides that the Board's order is final and conclusive unless appealed to the U.S. Court of Claims.

Paragraph (a) of Section 4, Subsection 2, provides that renegotiation should be conducted by division and by major product lines within a division, rather than by analyzing the total aggregate renegotiable sales of a contractor in a fiscal year. This section also prohibits the use of the percentage of completion method of accounting. Further, it provides that in the case of a long-term contract, in which a stated price for a production unit or a unit of service is established, the amounts received or accrued shall be included in the fiscal year in which such units are delivered or services rendered or, in the alternative, in the fiscal year in which the contract is completed.

**SECTION 5.—Elimination and Amendment of Exemptions for Certain Contracts:**

Paragraph (a) of Section 5 provides for the repeal of the oil and gas well exemption.

Paragraphs (b) and (c) modify the stand-

ard commercial article exemptions by: 1) Increasing the percentage of goods which must be sold commercially from 55% to 75%; 2) Repealing the class of articles exemption which allowed an article comparable to standard commercial articles to be exempted; 3) Excluding from the commercial sales denominator (in computing the commercial articles percentage test) the sales to non-covered federal government agencies; 4) Repealing the commercial services exemption.

**SECTION 6.—Increase in Floor Level:**

Paragraph (a) of Section 6 increases the minimum amount subject to renegotiation from \$1 million to \$2 million.

Paragraph (b) provides that the minimum amount subject to renegotiation for agents or brokers is increased from \$25,000 to \$50,000.

**SECTION 7.—Penalties for Failure to File Certain Statements or for Filing Misleading Information:**

Paragraph (a) of Section 7 provides that any contractor who knowingly fails or refuses to file any data on or before the date required by the Board, shall be subject to a civil penalty of \$100 a day. The maximum civil penalty is \$100,000.

Paragraph (b) of Section 7 provides that any contractor who knowingly furnishes false information to the Board shall, upon conviction, be punished by a fine of not more than \$50,000 or imprisonment for not more than one year, or both.

**SECTION 8.—Interest on Amount of Excessive Profits:**

Section 8 provides that interest on profits found to be excessive shall begin to accrue on the day following the end of the fiscal year in which the excessive profit was made.

**SECTION 9.—Authority, Salary and Functions of the Chairman and Salary of Other Board Members:** This section enlarges the administrative responsibilities of the Chairman and makes him the Chief Executive Officer of the Renegotiation Board. The Chairman's compensation is increased to Level IV, and Board members' compensation is set at Level V.

**SECTION 10.—Administration and Powers of the Renegotiation Board:**

Paragraph (a) of Section 10 authorizes a majority of the Board to issue subpoenas requiring the production of any records, books, or any other documents required under this Act. It further provides that any person who refuses to obey a subpoena is subject to a contempt citation.

Paragraph (b) of Section 10 provides for an audit of financial statements, books, and records.

Paragraph (c) of Section 10 provides that the Board shall, not later than 90 days after each fiscal year, submit to the Secretary (as defined by Section 103(a)) a summary of each financial statement reported by a contractor who, for the fiscal year for which such statement was filed, received or accrued amounts under contracts with such Department.

Paragraph (d) of Section 10 provides that the General Accounting Office shall conduct an annual review of activities and operations of the Board and submit a report of such review to Congress.

**SECTION 11.—Repeal of Witness Fees:** Section 11 repeals the payment of fees by witnesses, who appear for the Board, before the U.S. Court of Claims.

**SECTION 12.—Refunding of Overcollections:** This section is a technical amendment which provides for the method of refunding overcollections.

**SECTION 13.—Reports to Congress:** This section changes the due date of the Board's annual reports to Congress to reflect the new fiscal year.

**SECTION 14.—Authorization:** Authorization section.

**THE 59TH ANNIVERSARY OF THE DECLARATION OF INDEPENDENCE OF THE REPUBLIC OF ESTONIA**

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. LE FANTE) is recognized for 5 minutes.

Mr. LE FANTE. Mr. Speaker, I wish to join my colleagues and the Estonian American community today in commemorating the 59th Anniversary of the Declaration of Independence of the Republic of Estonia.

The people of this small Baltic nation, bordering on the Gulf of Finland to the north, have sought throughout the centuries to preserve their cultural heritage and to maintain their political freedom alongside their larger and more powerful neighbors.

The Roman historian Tacitus notes that by the first century A.D., Estonia was already established as a "national area." Throughout the Middle Ages Estonia was forced to continuously defend itself against foreign invaders, succumbing first to the Danish kings, and later, in the 18th century, to Russia, from which she won her independence in 1918.

The Estonians can be particularly proud of many aspects of their national culture. Their University of Tartu, which was founded in 1632, is 4 years older than our own Harvard University. A hard-working and tenacious people, the Estonians living in their homeland today enjoy one of the highest literacy rates—99.6 percent—of any people under Soviet domination. And their folklore, among the richest in the world, has won praise for its originality and artistic value.

In every field of endeavor, from literature to the arts, from entertainment to sports, Estonians have excelled. During the Estonian period of independence from 1918 to 1940, Estonian athletes figured prominently in many of the Olympic games, setting records and winning medals in marksmanship, wrestling, and track and field events.

Mr. Speaker, Americans of Estonian ancestry have a heritage of which they can be proud, and I for one am proud that our Nation has never recognized the incorporation of Estonia into the Soviet Union. On behalf of the people of my congressional district and the State of New Jersey, I join in the observance of Estonian Independence Day, confident in the belief that the United States will continue to champion the right of self-determination for the Estonian people, and for all nations of the world.

**SOCIAL SECURITY BENEFITS AFFECTING OTHER PENSIONS**

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

Mr. BEDELL. Mr. Speaker, one of the most glaring inconsistencies in Government today is the fact that we grant increases in social security benefits and then take them away by reductions in

other pensions and programs. I do not believe that this was the original intent of Congress and I feel we have to do something about it.

Therefore I am introducing a bill to help these people on fixed incomes who are penalized by having social security benefit increases offset by reductions in other programs. In some cases, this can result in an aggregate loss of income. In other cases, while there is not an aggregate loss in income in current dollars, their purchasing power has not kept pace with inflation.

When a person gets both social security and veterans' benefits, for example, as the social security goes up, the veterans' pension is adjusted downward. The exact way this happens requires some explanation. It is important to realize the veterans' pension is what is known as a needs based pension. In other words, it depends on what your other sources of income, including social security, are. If the other sources go up, your "need" correspondingly, goes down. I think this principle is basically sound. There have been proposals, however, which would simply ignore all social security income, or all social security increases, for the purposes of determining veterans' pension. I think this goes too far because it creates a "false need" by pretending that the recipient does not have certain income.

My bill would permit certain adjustments in a person's veterans' pension, but the veterans' pension would never be allowed to drop below what it was before the increase in social security. I have sought in my bill to apply this principle to all Federal programs affected by increases in social security benefits. The general principle is this: any increase in social security benefits shall be taken into account in determining the eligibility and the amount of benefits provided under other programs, except that this process would not allow a decrease in the level of benefits provided under the other programs prior to the social security increases. I think in this way, we can keep the principle of needs based programs, while at the same time insuring that no one ends up worse off because of a social security benefit increase.

Mr. Speaker, in the last Congress, I introduced a similar bill which attracted a large number of cosponsors. This year, I have been getting calls asking whether I would reintroduce the bill. The measure I am today introducing represents, I think, an improvement on last year's version and I hope that it also will get a large amount of support in the Congress.

#### TRAGIC SINKING OF THE MV "T. I. SAWYER"

The SPEAKER. Under a previous order of the House, the gentleman from Florida (Mr. IRELAND) is recognized for 5 minutes.

Mr. IRELAND. Mr. Speaker, in the early morning hours of January 10, a Belcher Oil Co. tugboat en route from Miami to New Orleans sank in 12-foot seas and four crewmen, including the captain, were lost. The home port of this

tugboat, the MV *T. I. Sawyer*, was Port Manatee in my congressional district.

This past weekend, Belcher Oil Co. dedicated a memorial garden at Port Manatee to the four who lost their lives—Capt. David E. Lamkin, mate Ronald J. Peterson, engineer Hugh W. Ballard, and cook Clarence Bunherkemper. The employees of Belcher Oil contributed a fitting memorial plaque.

I want to commend Belcher Oil Co. and its employees for dedicating a beautiful garden in memory of these men. I also want to commend the U.S. Coast Guard for their part in rescuing the two survivors of this tragic accident. The families of the men who lost their lives have my deepest sympathy.

#### RESOLUTION TO REAFFIRM INTENT MANIFESTED BY CONGRESS IN COMMUNICATIONS ACT OF 1934

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. WIRTH) is recognized for 5 minutes.

Mr. WIRTH. Mr. Speaker, along with the gentlemen from Ohio and New York (Messrs. WHELAN and OTTINGER) and 20 of our colleagues, I am introducing a resolution which reaffirms the intent manifested by Congress in the Communications Act of 1934—that competition in the telecommunications industry should be permitted wherever such competition serves the public interest.

In a series of recent decisions, the Federal Communications Commission has authorized competition in limited sectors of the telecommunications industry. These decisions—permitting customers to provide their own terminal equipment including telephone instruments, answering machines, switchboards, and data processing devices, and to contract with specialized carriers for private intercity business lines—have given customers greater freedom of choice and have resulted in substantial savings to both business and residential users. It should be emphasized that these decisions allow competition in limited sectors of the telecommunications industry. The FCC has not authorized competition in markets where the established telephone companies enjoy a natural monopoly, such as the local telephone market.

Having failed in the courts to overturn the FCC's decisions, the telephone companies are now seeking legislation to reverse them and which would effectively put the telephone companies' competitors—who account for less than 1 percent of U.S. telecommunications industry revenues—out of business. Last year, A.T. & T. spent more than \$2.5 million lobbying for the telephone industry written Consumer Communications Reform Act. As a result of this effort, the telephone company was able to get a substantial number of Members of Congress to introduce this legislation, better known as the Bell bill, in the 94th Congress. Again, this year, the bill has been introduced, so far, by a much smaller number of Members.

The Pro-Competition Resolution we are offering is, in part, a countermeasure to the "Bell bill." But more importantly, it is a reaffirmation of congressional intent regarding competition in the telecommunications industry. The resolution serves also as a statement of support for the procompetitive actions taken by the FCC and the courts during the past decade.

Since Messrs. WHELAN, OTTINGER and I first circulated a draft of the Pro-Competition Resolution, a number of national organizations have taken positions supporting the resolution or opposing the Bell bill. Representative of these are statements by Congress Watch, the National Cable Television Association, the National Citizens Communications Lobby and the Consumer Federation of America. I would like to insert these in the RECORD at this point. I also include the text of the Pro-Competition Resolution in the RECORD:

H.J. RES. 285

Joint resolution providing that competition is reaffirmed as the best means of serving American consumers' telecommunications needs

Whereas American consumers traditionally have relied upon free market forces to provide them with reasonably priced goods and services of superior quality, to allow them diversity and freedom of choice, to assure them of benefits of timely innovation, and to guard them against dangerous concentrations of economic and political power; and

Whereas success in achieving national goals such as stable consumer price levels, quality health care, improved access to education and information services, energy conservation, and other goals which are basic to the quality of life in the United States depends in part upon the availability of modern, efficient, economical, flexible, diverse telecommunications services; and

Whereas the Congress provided in the Communications Act of 1934 for competitive entry into the telecommunications market wherever the Federal Communications Commission determines that such entry serves the public convenience and necessity; and

Whereas the objective of extending basic telephone service to all parts of the Nation has been essentially achieved, so it is timely and appropriate to give priority attention to making more advanced telecommunications services and equipment available to the people of the United States; and

Whereas the Federal Communications Commission has determined that competition is feasible in certain sectors of the United States telecommunications industry, and that "the public interest is better served by permitting consumers to obtain specialized services and equipment from any company or individual that is ready, willing and able to meet consumer needs or demands—rather than by limiting communications users to a sole source monopolist"; and

Whereas the Department of Justice has broadly supported the actions taken by the Federal Communications Commission to encourage competition in the telecommunications industry; and

Whereas the actions taken by the Federal Communications Commission to authorize such competition in domestic telecommunications have been upheld by the courts wherever they have been tested on appeal; and

Whereas American consumers have benefited from competition in specialized communications and terminal equipment markets because such competition has permitted

suppliers of goods and services to provide them more efficiently and at lower cost; and

Whereas the availability of high quality, low cost data communications services and equipment enhances the effective and economical use of computers in increasing the quality and variety of goods and services available to consumers and in reducing the costs of such goods and services; and

Whereas American Telephone and Telegraph and the independent telephone companies control 97 percent of the United States telecommunications industry, and have experienced undiminished and substantial growth in revenues and profits for both monopoly and competitive services throughout the past decade; and

Whereas the telephone companies' competitors received less than \$200 million in revenues in 1975 compared with telephone companies' revenues of nearly \$35 billion; and

Whereas the Federal Communications Commission has determined "that there is no apparent basis for the telephone industry's claim that private line and terminal equipment competition either have had or are soon likely to have any significant impact on telephone company revenues or on the rate for basic telephone services"; and

Whereas studies by regulatory agencies in New York, Massachusetts, and Vermont indicate that there is no credible evidence supporting claims of the telephone companies that their competitive services have been subsidizing local telephone rates but, in fact, indicate that such services have been underpriced and have therefore required higher local telephone rates; and

Whereas the courts and the Federal Communications Commission have recognized the right of the public to attach to the telephone network terminal equipment obtained from sources other than the telephone carriers, where such equipment is privately beneficial without being publicly detrimental, and the Commission has exercised its primary jurisdiction over such equipment to protect that right of the public; and

Whereas the Office of Telecommunications Policy has determined that "there is not any credible evidence that competition in the terminal equipment market will result in damage to the public network or in deterioration in the quality of services derived therefrom": Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That competition is hereby reaffirmed as the best means of serving the American consumers' diverse and rapidly changing telecommunications needs, except where there is clear and convincing evidence that such competition would produce unreasonably higher costs or poorer service for the American consuming public.

**CO-SPONSORS FOLLOWING MR. WIRTH**

Mr. Whalen, Mr. Ottinger, Mr. Bingham, Mr. Carr, Mrs. Chisholm, Mr. Conte, Mr. Corrada, Mr. Edgar, Mr. Kildee, Mr. Koch, Mr. Mitchell of Maryland, Mr. Moss, Mr. Pattison, Mr. Pease, Mr. Richmond, Mr. Rosenthal, Mrs. Schroeder, Mr. Seiberling, Mr. Stark, Mr. Waxman, Mr. Weiss, and Mr. Wilson of Texas.

**PUBLIC CITIZEN,**

Washington, D.C., February 9, 1977.

DEAR REPRESENTATIVE: The fraudulently labeled "Consumer Communications Reform Act" has returned in the 95th Congress. Last June, consumer groups and new enterprises recently authorized to compete in the telecommunications industry warned that this special interest legislation would result in higher prices, stifled competition, and increased concentration in a monopoly industry. We testified to the same effect before Lionel Van Deerlin's Communications Sub-

committee in September. As a result of the excellent hearings organized by that committee, American Telephone and Telegraph and the established independent telephone systems have found it considerably more difficult to pressure members of Congress into sponsoring the legislation in the new Congress.

Many members who put their names on this legislation last year said, rather apologetically, that they sponsored the bill in order to force a public discussion of the issue of competition in telecommunications. Such a discussion is clearly needed and Chairman Van Deerlin has promised a thorough review of this issue.

Another way however that this issue can be forced is by sponsoring legislation which will reaffirm the decisions of the Federal Communications Commission allowing competition in the limited areas of telecommunications of private line service and terminal equipment. Such legislation will soon be offered, in the form of a Joint Resolution by Congressmen Timothy E. Wirth, Richard L. Ottinger and Charles W. Whalen, Jr.

This proposed resolution puts Congress on record reaffirming its preference for competition over monopoly. The resolution does not, however, foreclose the possibility of monopoly where a natural monopoly can be demonstrated to exist. The resolution effectively tells the Federal Communications Commission that it has been traveling along the right path.

There is a strong need for the passage of a pro-competition resolution. The competitors to the Bell System, both in private lines and in terminal equipment, find it unusually difficult to secure capital and to attract customers because of the uncertainty of the market. Prospective customers and lenders are understandably worried that the Bell legislation could shut out the competitors from the market altogether. Bell has, in fact, used this argument to win customers away from the competition. If Congress enacts pro-competition legislation this uncertainty will end and competition will be able to meet its potential.

The potential of competition is vast. It can provide consumers with lower prices for goods and services, as well as for telecommunications. Competition will result in a greater diversity of telephone services for consumers to choose from and a stronger consumer consciousness on behalf of the telephone industry. Of paramount importance, competition will remove the power to make crucial decisions about the future of the American economy from a single economic entity, the American Telephone & Telegraph Corporation.

For these reasons, we urge you to oppose the mislabeled "Consumer Communications Reform Act" and to support, instead, the pro-competition resolution, offered by Representatives Wirth, Ottinger and Whalen.

Sincerely yours,

ANDREW A. FEINSTEIN.

**NATIONAL CABLE TELEVISION ASSOCIATION,**

Washington, D.C., February 7, 1977.

DEAR REPRESENTATIVE: The National Cable Television Association strongly urges you to oppose H.R. 8, the so-called Consumer Communications Reform Act, and to support the pro-competition resolution proposed in the February 2nd Dear Colleague letter of Representatives Ottinger, Whalen, and Wirth.

Commonly referred to as the "Bell Bill", H.R. 8 will have an adverse impact on cable television subscribers. For this and many other reasons, the bill is not in the best interest of your constituents. The pro-competition resolution, on the other hand, reaffirms the existence of open and free competition in the communications marketplace to the benefit of all.

If the Bell Bill passes, cable television systems will be limited in their ability to import programming via microwave. Such program importation is essential to cable television's ability to provide consumers with viewing diversity and variety. For instance, if terrain restrictions make off-the-air reception difficult, cable television uses microwave relays to import top quality signals. In many other instances, cable television will expand programming from a distant city.

Whereas a competitive marketplace now fosters the growth and reasonable pricing of microwave services, the Bell Bill would make microwave service a monopoly of the telephone company. In short, the telephone company would have a life and death hold over what the cable television consumer may view.

The expanded monopoly created by the Bell Bill is unfair and anti-competitive. Such a blanket power grab by the telephone company is even more unfounded and unnecessary in light of AT&T's billion dollar per quarter profit record.

Enclosed is a short analysis of the Bell Bill's impact on cable television. We believe it presents a very persuasive case as to why you should oppose H.R. 8 and support the pro-competition resolution.

Sincerely,

ROBERT L. SCHMIDT,  
President.

**NATIONAL CITIZENS COMMUNICATIONS LOBBY,**  
Washington, D.C., February 22, 1977.

DEAR REPRESENTATIVE: On behalf of the National Citizens Communications Lobby, I urge you to support the resolution affirming competition in the telecommunications industry which will be introduced by Congressman Timothy Wirth, Richard Ottinger, and Charles Whalen.

The Bell Bill—erroneously titled the "Consumer Communications Reform Act" (S. 530, H.R. 8) is pure special interest legislation, designed to guarantee ATT a perpetual and inviolable monopoly over communications. The long-range implications of such exclusive technological control are just beginning to be realized. To vest such economic power in one corporate entity is frightening.

The telephone company argues that competition will lead to technological ineptitude and rate increases. That we have seen both, there can be no doubt. But they are far more likely to be the product of stifling monopoly than free and open competition.

Even the Federal Communications Commission—never thought to be an ATT antagonist—has consistently ruled in favor of competition in the limited areas of terminal equipment and private line services. This limited competition has proven healthy. Consumers now have available to them a diversity of innovative services which would have gone unrealized under Bell's monopoly.

The Communications Act of 1934 provides that competition in the telecommunications industry should be permitted wherever such competition serves the public interest. The pro-competition resolution upholds that Congressional mandate and supports the FCC's rulings.

We hope you will endorse your colleagues' resolution.

Sincerely,

MELINDA HALPERT,  
Executive Director.

**CONSUMER FEDERATION OF AMERICA POSITION ON THE CONSUMER COMMUNICATIONS REFORM ACT**

Under present governmental processes, AT&T and other telephone corporations have all the advantages of monopoly with inadequate regulation.

To the extent that no natural monopoly exists, the presumption should be in favor

of competition. Concurrently, the regulatory agencies should be improved and citizen intervention encouraged, promoted and facilitated.

The proposed Consumer Communications Reform Act should not be enacted since it seeks to reverse some existing FCC precedents promoting beneficial competition, and does not address the problems of regulatory failure, citizen access and the communication services needs of the average consumer. CFA, therefore, opposes the "Bell Bill" and other legislation incorporating its basic tenets.

#### LEGISLATION AUTHORIZING SECRETARY OF INTERIOR TO DETERMINE FEASIBILITY OF POWERPLANTS ON FRIANT DAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. KREBS) is recognized for 5 minutes.

Mr. KREBS. Mr. Speaker, I rise today to introduce legislation, cosponsored by my colleague, the Honorable B. F. SISK, which authorizes the Secretary of the Interior to engage in studies which should ultimately result in the generation of much-needed additional power in the West. Specifically, the bill authorizes the Interior Department's Bureau of Reclamation to conduct a powerplant feasibility investigation of the Friant Dam on the San Joaquin River in central California. This dam is a vital link in the water resources structure in the southern part of the Central Valley.

A Federal energy expansion study evaluation team has recommended that a high priority energy study be conducted in fiscal year 1978 regarding the feasibility of powerplants on the Friant Dam. The evaluation team came to this conclusion after surveying potential power projects in the 17 Western States last summer. The average annual runoff of the San Joaquin River at the dam site is significant—1,800,000 acre-feet of water. The hydroelectric energy which could be generated from this runoff would be considerable too. An appraisal-grade analysis of potential hydropower at Friant Dam shows a total capacity of 22,700 kilowatts, with a generation potential of 130,800,000 kilowatt hours per year.

The negative environmental effects of the construction of power facilities are considered to be minor and we have been told that there should be no adverse effects on the dam itself nor on the canal areas. In fact, any environmental effects would be positive, in view of the fact that hydroelectric energy is pollution free. It has been estimated that Friant Dam powerplants would conserve over 200,000 barrels of oil per year by means of the energy generated. Thus, air pollution would be significantly reduced, while clean energy now being wasted would be effectively utilized.

We are pleased to submit this bill.

#### ABUSES IN THE SECOND MORTGAGE MARKET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. STARK) is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, I have introduced legislation to put an end to the abusive practices in the second mortgage market, H.R. 3700.

This bill is intended only to prohibit those practices which so often result in the foreclosure on the house—because the lender extended credit while knowing the consumer would not be able to meet the payment schedule.

We are all familiar with incidents of this sort, but let me briefly explain the one in California which prompted me to introduce this bill:

An elderly widow was having trouble making ends meet on the upkeep of her home. The original mortgage had been paid off while her husband was alive. After his death, however, the widow had to take out a loan—from a large bank—to make small home repairs. Then her taxes went up and the bank would not let her refinance the loan for more cash, since her fixed income would not permit larger payments. So she opened the yellow pages and called a finance company which advertised fast and easy cash. In fact, the salesman would even come to her house—something important to the elderly with limited mobility. The salesman immediately called on her and agreed to make her a loan with low monthly payments, at a high interest rate. Her house was put up as collateral. With rising expenses and a fixed income, she soon fell behind in these payments, and the salesman refinanced a new loan. This time, he also conveniently neglected to tell her about the final payment, the "balloon" which would be several times the amount of all the monthly payments. He knew that she would be unable to meet the balloon payment, and would have to keep refinancing the loan; each time with lower monthly payments, a higher balloon payment and, of course, much more total debt. This was fine with the salesman. All he cared about was getting as much money from the widow as he could, regardless of the human wreckage he left behind.

Sure enough, the widow kept refinancing the loan. In less than 2 years, her debt had swelled from around \$5,000 to over \$30,000. Inevitably, the finance company foreclosed on her house.

Unlike many victims, this widow also went to court and sued the finance company. They agreed to settle out of court, but her lawyers took most of the small award. This 85-year-old woman finally got a settlement of \$500 a month, for as long as she lived. She moved into a tiny apartment.

My bill is aimed at just these practices on the part of the lenders. Encouraging elderly widows to go into debt and lose their homes is as criminal to me as robbing them at gunpoint. Perhaps it is even worse since it is drawn out over a long period of time, and can cause utter destitution.

I shall welcome the support of my colleagues for this legislation, and hope that many will choose to cosponsor the bill. It is long overdue.

At present, these fraudulent transactions, veiled by complex regulations and obscure provisions of law, often result

in only a slap on the wrist instead of imprisonment and a heavy fine. In the recent Washington, D.C., case exposed just a few years ago, two swindlers who cheated homeowners into buying "townhouse fronts" and losing hundreds of thousands of dollars were merely put on probation. On the same day, these two were reprimanded, a 24-year-old man received a 2- to 6-year sentence for stealing a \$500 television set. An 18-year-old youth who snatched a purse with \$40 in it was denied probation and sent to prison.

The judge said, "this is robbery." There is just too much of that around.

The people who generally trumpet law and order the loudest are strangely silent on the subject of white-collar crime. Yet crimes in the executive suites costs Americans millions of dollars each year, and uncountable mental anguish.

Those preyed upon are usually low- and middle-income seniors, financially inexperienced people; although others who should know better are also victimized with embarrassing regularity.

My bill would make it impossible for unscrupulous lenders to make these second mortgages. First, it requires the lender to certify that the projected income of the homeowner is sufficient to meet the payment schedule, or sufficient to make payments on a newly negotiated first mortgage, should refinancing be necessary.

The bill prohibits the imposition of prepayment penalties, usually charged each time the loan is refinanced, thereby increasing the total debt. It prohibits harassment or intimidation of the homeowner in collection attempts.

In addition, a judicial hearing is required for each foreclosure action. Violation by the lender of the above mentioned provisions would constitute grounds for making the foreclosure or seizure of the house invalid.

Violations by the lender would entitle the homeowner to stop making payments on the loan, without regard to the amount he has been advanced by the lender, and also entitle him to be paid for the costs of the action and reasonable attorney's fees.

Finally, this bill contains a section which would strip away the incentive for lenders to make many of these loans. In the event of a foreclosure sale or auction of the house no real estate broker who arranged the loan may submit a bid or seek to acquire the property directly or indirectly. Since, in so many cases, the objective of the lender from the beginning is simply to acquire the house, far under its market value, and then resell it to make a quick profit, this should insure that no loans will be made for illegitimate purposes.

I would like to point out that this bill will in no way inhibit the flow of legitimate credit in the form of second mortgages. First, the bill exempts all transactions for the initial purchase of a house. Second, since the "projected income" section requires that the customer be able to refinance a new first mortgage, should that become necessary. No legitimate

business transactions where the house is fused as collateral will be affected.

#### ADMINISTRATION PROPOSALS WOULD DEPRIVE TAXPAYERS OF PRIVACY RIGHTS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I would like to address myself to the administration's objections to section 7609 and section 7217 of the Internal Revenue Code. I have not had access to the administration's exact objections and, therefore, will discuss what I have heard to be their main complaints.

As you may be aware, I am currently serving as a member of the Privacy Protection Study Commission. The Commission was set up by the Privacy Act of 1974, of which Representative GOLDWATER, JR., and I were the prime sponsors.

The objections of the administration to section 7609—the administrative summons provision—are outrageous. As the conference report clearly describes, the more lax standards of the Senate amendment were adopted over the more stringent requirements of the original House version.

As the section stands, it is riddled with exceptions, to be found in subsections (a) (4), (c) (2), and (g). These exceptions are more than adequate to protect the needs of the Justice Department and the IRS. The exception in (a) (4) provides that the notice requirement does not apply where a summons is issued solely to determine if records exist with respect to a particular person. The exceptions in (c) (2) provide that the Service is not required to give notice or to follow the "John Doe" procedure where the purpose of the inquiry is simply to learn the identity of the person maintaining a numbered bank account—or similar arrangement; provide that notice is not required in the case of a summons issued to a bank in connection with the collection activities of the IRS. Finally an exception is provided in (g) where the IRS can demonstrate to a court that compliance with the notice requirement might result in a material interference with an investigation or might create a substantial possibility that the noticee might flee or engage in the destruction of records.

The more lax Senate amendment, which the conference agreement follows, was drawn with the needs of the law enforcement agencies in mind. The conference report specifically states:

The Amendment is intended to enable the Service to avoid material interference with an investigation where it reasonably believes that this might occur.

It is not clear to me what more the administration needs. Certainly the individual is entitled to the fundamental due process rights of notice and standing to intervene over records that most people consider their private records.

In contrast to the Supreme Court's

opinion I think that most Americans do have an expectation of privacy with respect to their bank records. Furthermore, the Court in its narrow legalisms overlooked the realities of modern life. The California Supreme Court made both these points in its excellent opinion in *Burrows* against Superior Court:

It cannot be gainsaid that the customer of a bank expects that the documents, such as checks, which he transmits to the bank in the course of his business operations, will remain private, and that such an expectation is reasonable.

For all practical purposes, the disclosure by individuals or business firms of their financial affairs to a bank is not entirely volitional, since it is impossible to participate in the economic life of contemporary society without maintaining a bank account. In the course of such dealings, a depositor reveals many aspects of his personal affairs, opinions, habits and associations. Indeed, the totality of bank records provides a virtual current biography. . . . To permit a police officer access to these records merely upon his request, without any judicial control as to relevancy or other traditional requirements of legal process, and to allow the evidence to be used in any subsequent criminal prosecution. . . . opens the door to a vast and unlimited range of very real abuses of police power.

In conclusion, I want to urge retention of section 7217—civil damages for unauthorized disclosure of returns and return information. If the statute is to provide effective protection and relief from violations, criminal penalties alone are plainly insufficient. Prosecutions for illegal disclosure or receipt of tax information would be at the discretion of the Attorney General and the various U.S. attorneys, who are appointees of the President. Under Federal law, the refusal of the executive branch to bring prosecution is not reviewable by the courts. A Federal prosecutor may even refuse to sign an indictment returned by a lawfully constituted grand jury.

Congress recognized, when it adopted the Privacy Act of December 1974, that criminal sanctions cannot assure compliance with a statute if most violations are likely to be committed by Government officials. The Privacy Act imposes criminal penalties for illegal revelation or receipt of personal information, but also creates a right of action in any aggrieved individual to enforce the provisions of the act in a Federal civil suit. Similarly section 7212 must be retained to assure compliance with the new disclosure provisions.

#### WASHINGTON POST STRATEGIC ARMS DEBATE SERIES

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, yesterday I placed in the RECORD the first two articles in the series that the Washington Post is running this week dealing with the nuclear arms debate and particularly the question of whether the United States or the Soviet Union is ahead in strategic nuclear weapons. This

series is so outstanding in presenting the issues in a concise and objective way that I believe every Member of Congress should have maximum opportunity to study and digest this information, since the Members will be voting on matters involving this momentous issue this year and many years to come. The matter gains particular currency, because of the debate sparked by President Carter's announced goal of negotiating with Russia in an effort to reduce nuclear weapons and the hearings on his nomination of Paul Warnke, a leading expert on the subject of strategic arms limitation negotiations.

I am offering with these remarks the third in the Post series, entitled, "The New Nuclear Math—How Much Is Enough for Security?" by George C. Wilson. Mr. Wilson lays out the relative strengths and weaknesses of the nuclear triads possessed by both Russia and the United States, pointing out that while the United States has achieved and maintained substantial lead in numbers of deliverable nuclear warheads and accuracy of delivery, the Soviet Union has achieved and maintained a lead in numbers of missiles to deliver such warheads and size of warhead.

The text of the article follows these remarks:

#### THE NEW NUCLEAR MATH—HOW MUCH IS ENOUGH FOR SECURITY?

(By George C. Wilson)

Whether the United States or the Soviet Union is ahead in strategic nuclear weapons is an argument anyone can engage in but no one can definitively win.

This is because there is something for everybody in the new nuclear math, the numbers the Pentagon issues each January on how much holocaust the two superpowers have aimed at each other.

Hawks, in demanding more weapons, can cite the Soviet lead in sheer tonnage of H-bombs. Doves, in calling for a halt to the arms race, can cite the American lead in the numbers of bombs and warheads. There the argument is joined.

The numbers used in those arguments show that, at a minimum, both sides have far more than they need for inflicting "unacceptable" damage on the other after absorbing a first strike. This is the level that has long been accepted as the basis for mutual deterrence—the doctrine that has kept the two nuclear superpowers from blowing each other up.

During the 1960s former Defense Secretary Robert S. McNamara repeatedly tried to quantify how much nuclear might was enough to make the policy of mutual deterrence work. Soviet leaders, McNamara judged, would be deterred from pushing their button if the United States had enough bombs to destroy "one-fifth to one-fourth" of the Soviet population and "one-half of her industrial capacity" after the United States had absorbed a first strike.

The destructive capability of the American nuclear arsenal, and that of the Russians' arsenal, has gone far beyond that scale of retaliatory strength.

The United States has 8,500 H-bombs available to dump on the Soviet Union's 60 major military targets and 200 cities. The Soviet Union has 4,000 bombs to drop on corresponding targets in the United States.

Each superpower has built three delivery systems for those bombs: long-range bomb-

ers, land-based intercontinental missiles and missile-firing submarines. This three-pronged force is called a "triad" in the argot of war planners.

Pentagon officials defend the size of the American warhead and bomb stockpile on grounds that no one knows how many would be destroyed in a surprise attack, miss their targets or be knocked down by Soviet defenses. They have no ready answer to the question of how much is enough in providing security in numbers. Less than one-fourth of the U.S. force of 41 nuclear missile-armed submarines could deliver 1,600 H-bombs of 50 kilotons each in a second strike.

The warhead advantage on the American side is due, primarily, to the technology of piggybacking several H-bombs on one missile—the so-called MIRV (Multiple Independently Targetable Re-Entry Vehicle). MIRV, for example, has multiplied fourteenfold the number of H-bombs one missile tube on a Poseidon sub could fire at the Soviet Union.

The Soviet Union, which in the early days of the missile race opted for giant missiles with big H-bombs up front, is now following the U.S. lead and MIRVing its missiles.

The Joint Chiefs of Staff warn that the United States dare not let the Soviet Union push ahead in both quantity and quality of strategic nuclear weaponry.

Nonetheless, Soviet defense planners feel obliged to keep up with what they conceive to be a rough equivalency with the United States. This is the underlying dynamic of the nuclear arms race.

The Brookings Institution estimates that when the U.S. and Soviet megatonnage is put on a comparable basis—equivalent megatonnage—the Soviets control 5.3 billion tons of explosive power as compared with 4.2 billion tons for the United States.

Accuracy is the crucial multiplier in the new nuclear math. The megatons that count are those that arrive on target. In nuclear math the chances of destroying a target are cubed by the factor of accuracy. A Minuteman missile with a 1.5-megaton warhead hitting a half mile from its target has the same chance of destroying a missile silo as a 12-megaton weapon exploding a mile from its target.

The United States has opted for higher accuracy and less megatonnage in its warheads. Of the 1,054 ICBMs listed in the U.S. inventory, 54 are Titan II liquid-fueled missiles with nine-megaton warheads and the rest are ICBMs from the Minuteman family, each carrying smaller but more accurately propelled warheads.

The margin of accuracy for the Titan II is one mile; for the Minuteman III, one-quarter mile.

On the nuclear evolution scale, the United States moved from the nine-megaton Titan II to the submarine-launched Poseidon, which can fire clusters of 10 warheads of 50 kilotons each within a margin of accuracy of fewer than four city blocks.

The latest technological wrinkle in upgrading the accuracy of missile systems is MARV (Maneuverable Re-Entry Vehicle)—son of MIRV—each of whose warheads is guided by an electronic "brain" that locks the bomb onto a target, even though it may be thousands of miles away. MIRV warheads ride like passengers on a bus and are dropped off along the trip at a point from which they will fly, directed by gravity and the momentum of the "bus."

MARV's birth was greeted with critical comments from some arms controllers who see the "smart" H-bomb warhead as a major leap into the irreversible momentum of first-strike technology.

In overall numbers, the U.S.-Soviet missile balance for the three major systems of the weapons triad is as follows:

For land-based intercontinental ballistic missiles (ICBMs); U.S. 1,054—U.S.S.R. 1,450; submarine missiles; U.S. 656—U.S.S.R. 880; long-range bombers; U.S. 418—U.S.S.R. 210.

Although these totals seem to reflect a Soviet superiority in missiles—2,540 to 2,128—there is an offsetting factor in the 2-to-1 U.S. lead in warheads. Missiles merely propel. Warheads explode.

Here is how the weapons experts assess the two powers from the standpoint of each major weapons system:

**Long-range bombers:** The U.S. edge here is wider than the numbers make it appear. A key to how much a bomber can carry and how far it can fly is the number of tankers available to refuel it in flight. The U.S. tanker fleet is far superior to the Russian fleet.

Also, the United States already has a new strategic bomber flying, the Air Force B-1, while the Backfire is the only Soviet bomber in production. Backfire is a medium bomber that U.S. military leaders consider capable of strategic bombing. The U.S. Joint Chiefs of Staff reported this year that the Soviets may build a new long-range bomber but acknowledge that it could not become operational until the early 1980s.

**Land-based ICBMs:** The Russians hold the decisive lead in numbers of missiles and deliverable megatonnage but this is, as pointed out, offset at the current stage of development by the accuracy of the U.S. Minuteman missile. As the Russians develop their own MIRV technology, however, their heavier-muscled missiles coupled with bigger warheads could give them more destructive power with which to strike at hardened U.S. targets.

Because of the growing vulnerability of the land-based weapons to attack, there is the question of whether they may not become obsolescent sitting ducks in a nuclear strike.

President Carter underlined the issues on the land-based weapons by offering to forgo deploying mobile land-based ICBMs, such as the Air Force's MX missile, which would be carted from silo to silo through underground tunnels, if the Soviet Union would do likewise.

**Submarine-based missiles:** Increasingly accurate submarine missiles already deployed by both sides, along with the advent of MARV, pose additional threats to the land-based weapons.

The Soviet Union last year started deploying its 500-foot-long Delta II nuclear-powered sub that carries 16 SSX-8 missiles, which have a range of 4,200 nautical miles.

The United States in 1979 expects to send its 560-foot-long Trident to sea. Each of these subs will carry 24 Trident missiles with a range of 4,000 nautical miles at first and 5,000 miles later.

Because of their long-range missiles, each of the sub systems—the Delta II and the Trident—can stick close to the safety of port while covering potential enemy targets.

A footnote in the comparison of the rival nuclear submarines is that the United States keeps about 50 per cent of its fleet at sea at all times, according to the Joint Chiefs, while the Soviet Union deploys only 11 per cent of its ships.

With so much nuclear firepower going to sea in submarines, it is safe to assume that the two superpowers are backing away from the risk of mutual incineration because each has an invulnerable retaliatory force at the ready in the ocean depths?

If the submarines armed with missiles were truly invulnerable, then one could reason that the "we-won't-if-you-won't" underpinning of deterrence is securely in place. But the constant upward spiral of technology has not let this happen.

The United States can, and does, track Soviet missile submarines with American hunter-killer subs and with an array of detection systems, including microphones on the ocean bottom. An antisubmarine-warfare plan, called "the barrier strategy," calls for ambushing and destroying Soviet subs in a war as they sail through the straits and gaps to put their missiles in range of the United States.

U.S. killer submarines have the Mark 48 torpedo, which can swim 20 miles after launch to find and destroy a sub detected by sonar listening systems. The Soviets can be presumed to be working on the same kind of weapons.

As implausible as it may sound to laymen, Soviet planners do have to worry about U.S. capability to make a coordinated first strike where hunter subs would kill their missile subs, where highly accurate MIRVs and MARVs from subs and land launchers would disable their ICBMs and bombers, and where B-52 and B-1 bombers would finish off anything left standing.

If the U.S. Navy builds its Seafarer system for communicating with its subs in the depths, Soviet worst-case strategists would have to worry more seriously about an American coordinated first strike. Today's communications methods with submarines are complicated, requiring subs to rise toward the surface during prearranged transmission periods.

Conversely, American war planners have to worry about the Soviets catching up with U.S. antisubmarine technology now that they have closed the gap on quantity.

So far, there is no evidence that the Soviets track U.S. missile submarines the way the United States does theirs. But this secure undersea force could end up being vulnerable if the Soviets adopt U.S. Navy tactics.

And so the imponderables of time, numbers and national motivation make it difficult today and perhaps impossible tomorrow to answer the question: Is anybody winning?

#### NUCLEAR TALKS MUST SUCCEED ON TWO FRONTS

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, the fourth in the series of Washington Post articles on strategic arms issues is by Murrey Marder and deals with the problems a U.S. administration faces within itself and with the Congress in attempting to negotiate nuclear arms limitation agreements. It points out that Presidents Nixon and Ford both faced such problems and that the way they were handled had a crucial effect on the ability of the then President to obtain acceptable agreements and the substance of the agreements that were made.

Particularly striking is the account of the disastrous effect of President Ford's efforts to placate the "hardliners" in the Government and his primary election opponent, Ronald Reagan. At this point, we may devoutly hope that the Carter administration is able successfully to surmount such obstacles in its quest for balanced and meaningful nuclear arms control and reduction agreements.

The text of the article follows these remarks:

NUCLEAR TALKS MUST SUCCEED ON  
TWO FRONTS

(By Murrey Marder)

Every President who reaches for an agreement with the Soviet Union on nuclear arms control takes on two sets of negotiations—one with the Kremlin, and another with his own government.

Among arms control specialists, it is often said that the "internal negotiations" can be more difficult than the "external negotiations," for both the United States and the Soviet Union.

To purists, the comparison is overdrawn. But it evidently stands high in the mind of President Carter as a danger to avert. He has pointed to the dissent inside the Ford administration, and the presidential election, as the principal reasons for Ford's inability to conclude a strategic arms limitation talks (SALT) treaty with the Soviet Union.

In private, many Ford administration insiders go much further than that. The former President, sources on both sides of his SALT impasse say, was outmaneuvered inside the government.

Ford was caught between two conflicting priorities: his campaign for nomination against Ronald Reagan vs. a SALT II accord to complete the nuclear agreement he made with Soviet leader Leonid L. Brezhnev at Vladivostok in November, 1974.

In effect, Ford was compelled to sacrifice one objective for the other. He defeated Reagan for the Republican nomination. But in moving to the right of the political spectrum, to compete with Reagan for right-wing votes, Ford became a hostage to the opponents of a SALT compromise that Secretary of State Henry A. Kissinger implored him to make.

The opposition—the Defense Department and its allies in government and in the Congress—was not passive about the President's dilemma. Nor was Kissinger.

Kissinger told the President he needed only "to spill a little [bureaucratic] blood" to reach the SALT compromise, sign it at the long-projected Washington summit conference with Brezhnev, and carry it into the November election as a foreign policy triumph.

The internal clash reached a peak in January-February, 1976, the most sensitive political period for Ford, after Kissinger returned from Moscow in January urging a compromise. Reagan was beginning his attack on the Ford-Kissinger foreign policy, heading into the nation's first primary election, in New Hampshire Feb. 24.

Kissinger's opponents on SALT made sure the President recognized the political consequences of following Kissinger's advice: If the Pentagon was overruled on SALT, that was bound to "leak out," exploding against Ford in the primary campaign.

There was nothing so bald as a direct threat to the President. Said one Kissinger opponent, drily, "It was all done within the system."

Ford, as a consequence, sided with Kissinger's opponents in February. He sent Moscow what both sides describe as a "hang tough" reply to the proposal that Kissinger brought from Moscow.

The negotiations virtually froze.

After Ford won the Republican nomination in August, he pushed for a SALT compromise to recoup his earlier hopes. It was too late; by then even some of the strongest SALT supporters opposed a last-minute rush for agreement just before the November election.

In retrospect, the former President is reported by some sources to wish he had forced through a SALT compromise, over the internal opposition. Whether Ford would still occupy the White House if he had done so is anyone's guess. Beyond question, the 1976

election campaign would have been considerably different.

Each President who negotiates with the Soviet Union must decide how he will deal with his own bureaucracy. Bargain with it? Overrule it? Circumvent it?

No consensus automatically springs up over nuclear strategy. Experts can disagree strongly about what is prudent and what is perilous. The ultimate choices, therefore, are political decisions.

There were long roots to the dispute that frustrated President Ford's SALT ambitions. Some of them have entangled Paul C. Warnke, Carter's nominee for director of the Arms Control and Disarmament Agency and chief SALT negotiator.

Former President Nixon and Kissinger, then at the White House, conducted the SALT I negotiations in extraordinary secrecy. "Back channels" were used to communicate to the Kremlin, behind the back of U.S. negotiators, and sometimes without knowledge of the Secretaries of State and Defense.

The suspicions that developed afterward, coupled with charges that Kissinger had made lopsided concessions to the Russians in 1972, converged in the decisive opposition to Kissinger's negotiations on SALT II.

In one tradeoff after SALT I, to try to help ease the path for SALT II, Nixon sought to make peace with Sen. Henry M. Jackson (D-Wash.) Kissinger's prime challenger. Nixon agreed to divide the posts of arms control director and chief SALT negotiator, and put harder-line negotiators on SALT.

In addition, the arms-control agency itself was stiffened, with officials holding a sterner view of the Russians moved in to replace more ardent arms control champions. That "purge" had unintended consequences. It helped to convert the arms control agency into a Pentagon ally against Kissinger in 1976.

Another tradeoff of 1972 had greater repercussions four years later.

To enlist support of the Joint Chiefs of Staff for ratification of the 1972 nuclear agreements, Nixon obtained a major increase in weapons research and development funds.

One project was long-range cruise missiles, which the Pentagon was prepared to drop in 1973. (The cruise missile, is, in effect, an unmanned, low-flying jet with a range up to 2,000 miles.) Kissinger urged the military to continue primarily to save cruise missiles as a future "bargaining chip" with the Russians. Instead, cruise missiles turned into the most confounding obstacle for Kissinger's attempt to resolve the SALT II treaty.

Cruise missiles, and the Soviet bomber system known in the West as Backfire, became the principal obstacles to a new agreement.

Two major nuclear agreements had been signed at Moscow in 1972. For the first time, adversary nations agreed to ban national defense systems, exposing themselves to attack from each other with intercontinental missiles. This was the Anti-Ballistic Missile Treaty, a major breakthrough, little-disputed.

Virtually all subsequent argument centers on the complementary side of the process—controls on offensive strategic weapons. A five-year accord was signed in 1972; it runs out Oct. 3 of this year. Its replacement is the Ford-Brezhnev Vladivostok accord, to run until 1985.

In 1972 the Russians were racing to catch up with previous American superiority, and had taken the lead in numbers of intercontinental missile launchers. The SALT I "freeze" on missile launchers left the Russians with superior numbers of strategic missiles launched from land or sea, a maximum of 2,358 to 1,710 for the United States. The United States had, and retains, the advantage in nuclear warheads, with its multiple-warhead missiles and a larger fleet of intercontinental bombers.

Kissinger and other administration officials maintained that the agreement was balanced, with the United States behind in missile launchers but ahead in warheads, bombers and technology. Critics contended that the Russians, with more and larger missiles, eventually could duplicate the multiple warheads and other technology, and gain military superiority.

The ratification of the SALT I accords moved the argument to SALT II. At Vladivostok, Kissinger said, any imbalance was wiped out by agreement on similar numbers of strategic delivery systems on both sides, with "important concessions" by the Soviet Union.

An equal ceiling of 2,400 American and Soviet intercontinental missiles and bombers was set, of which 1,320 could have multiple warheads. Ford hailed this as "a cap" on the arms race.

The debate only shifted direction. Critics on right and left assailed the ceiling as far too high. Then "the cap" began oozing from the two sides, in the new dispute over Soviet Backfire bombers and American long-range cruise missiles, both omitted from the Vladivostok discussions.

The Joint Chiefs of Staff insisted that the Backfire can operate as a long-range bomber against targets in the United States, and should be counted as strategic. The Soviet Union maintained that Backfire is a medium bomber, outside the Vladivostok limits.

Positions are reversed on long-range cruise missiles. As non-ballistic missiles, the United States claimed, they were exempt from the Vladivostok ceilings. The Soviet Union originally sought to ban all cruise missiles beyond 600 kilometers, or 373 miles, the range of existing Russian types.

Long range cruise missiles, with accuracy precise enough to hit a selected building ("You can shoot it down a pickle barrel at 2,000 miles," Reagan exclaimed during the election campaign), are claimed to cost only about a tenth as much as ballistic missiles. Because they can carry nuclear or non-nuclear warheads, and serve as strategic or tactical weapons, they also raise great problems of distinguishing which is which.

Kissinger and his supporters regarded the Backfire and cruise missiles, as one source expressed it last week, as "far out on the margin of strategic significance."

Privately, even some Kissinger critics agree. The military services themselves are divided about roles and missions for cruise missiles. But the controversy solidified Kissinger's critics in the different camps, especially advocates of cruise missiles, who see intermediate-range cruise missiles as a major offset to Soviet power in Europe, and "a great equalizer" against the Russians at sea.

Kissinger was ready to trade about 250 Backfire bombers with Soviet pledges of limitation on their use for an equal number of long-range cruise missiles on ships, both outside the Vladivostok ceilings; to count bombers with 1,500-mile cruise missiles as multiple-warhead weapons, and to ban long-range cruise missiles on submarines.

Critics assailed that mix as unbalanced in Soviet favor and Soviet assurances on Backfire as unacceptable.

The opposition to Kissinger was led by the Joint Chiefs of Staff. They were supported by Defense Secretary Donald H. Rumsfeld, President Ford's longtime confidant, recently arrived at the Pentagon to replace ousted James R. Schlesinger. Ford's summary firing of Schlesinger, widely misconstrued as a victory for Kissinger, had infuriated the Republican right-wing, and that was already troubling Ford's election advisers.

Kissinger was without allies beyond the State Department and the National Security Council staff. The arms control agency, semi-autonomous in the State Department and largely ignored by Kissinger, joined the op-

position, with mild-mannered director Fred C. Ikle encouraged by his deputy, John F. Lehman Jr., to speak out.

Lehman, although a onetime member of Kissinger's NSC staff, was championing cruise missiles. So was Lehman's close friend, Richard Perle, a nuclear specialist for Sen. Jackson and one of the most effective Kissinger critics in Washington.

Perle recently said that, compared to "the resources Henry had at his disposal," the opposition's resources "were trivial." "I could talk to people one at a time," Perle said; "Henry had a whole planeload [of reporters] and the stories went all over the world." The problem, however, Perle insists, was not internal disagreements, but Soviet intransigence.

Nevertheless "the key factor was the election," said a central participant, and numerous others agree. If President Ford had supported Kissinger, this source said, "It very soon would have come out that Defense had been overruled."

In place of the compromise Kissinger sought, the counter that went back to the Russians, in several variations, was an offer to proceed with the original portions of the Vladivostok accords and to bypass the Backfire and cruise missile controversy for subsequent negotiations.

Kissinger argued that the Soviet Union would reject that out of hand (which it did) because it left the more dynamic weapons system, cruise missiles, unconstrained. His critics charged that Kissinger undermined the counterproposal, and failed to press it forcefully.

Basically this is the same offer that President Carter now has made to the Soviet Union publicly and privately. Is there any reason to expect the Soviet Union to accept this approach which they previously rejected? Carter administration sources maintain there is.

There are numerous ways to set aside the Backfire-cruise missile dispute, in a form more equitable to the Soviet Union. A slowdown or limit, or both, on cruise missile development is an obvious approach, suggested by many outside specialists.

Carter administration strategists say they believe the Soviet Union is eager to reach a SALT II accord before the Oct. 3 deadline, and then move into SALT III negotiations on arms reductions as Carter has urged.

By his unusual public, and private, emphasis on arms control, these sources say, the President has aroused Soviet interest for "locking in" his administration to continuing negotiations.

The Carter administration believes it has a good prospect for avoiding the internal splits that plagued the Ford administration's nuclear strategy, with Harold Brown at Defense, Cyrus R. Vance at State, Zbigniew Brzezinski as national security adviser, and Warnke as chief SALT negotiator.

Carter already has spent an unprecedented amount of time for a new President in private discussions with the Joint Chiefs of Staff. He also has struck sparks of parallel interest with Sen. Jackson and other Kissinger critics.

The President "is determined that people get a fair hearing," said one insider; "They don't have to go to the Hill to get an argument raised."

But, the insider added, President Carter "has made it clear that he is going to make the decisions."

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Ms. OAKAR (at the request of Mr.

WRIGHT), for today, on account of a death in the family.

Mr. CORMAN (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. DENT (at the request of Mr. WRIGHT), for today, on account of a death in the family.

Mr. FOUNTAIN (at the request of Mr. WRIGHT), for today, on account of illness.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. EDWARDS of Oklahoma) and to revise and extend their remarks and include extraneous matter:

Mr. KEMP, for 30 minutes, today.  
Mr. MCKINNEY, for 5 minutes, today.  
Mr. WHALEN, for 5 minutes, today.  
Mr. MILLER of Ohio, for 10 minutes, today.  
Mr. EVANS of Delaware, for 5 minutes, today.

Mr. SARASIN, for 30 minutes, today.  
(The following Members (at the request of Mr. GUDGER) and to revise and extend their remarks and include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.  
Mr. GONZALEZ, for 5 minutes, today.  
Mr. MINISH, for 10 minutes, today.  
Mr. LE FANTE, for 5 minutes, today.  
Mr. BEDELL, for 5 minutes, today.  
Mr. WIRTH, for 5 minutes, today.  
Mr. KREBS, for 5 minutes, today.  
Mr. STARK, for 5 minutes, today.

#### EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. SISK, to revise and extend his remarks immediately following Mr. BIAGGI on the amendment regarding illegal aliens on public works bill.

Mr. MILLER of Ohio, to revise and extend his remarks prior to the vote on H.R. 11.

(The following Members (at the request of Mr. EDWARDS of Oklahoma) and to include extraneous matter:)

Mr. SAWYER.  
Mr. McCLORY.  
Mr. DERWINSKI in four instances.  
Mr. CORCORAN of Illinois.  
Mr. HAMMERSCHMIDT.  
Mr. LOTT.  
Mr. WALSH.  
Mr. MARKS.  
Mr. FORSYTHE in two instances.  
Mr. RINALDO.  
Mr. ERLNBORN.  
Mr. KASTEN.  
Mr. CONABLE.  
Mr. ASHBROOK in two instances.  
Mr. SYMMS in two instances.  
Mr. GILMAN.  
Mr. WHALEN in two instances.  
Mr. SARASIN.  
Mr. FINDLEY.

Mr. SNYDER in two instances.  
Mr. KEMP in two instances.  
Mr. PRESSLER in two instances.  
Mr. CEDERBERG.  
Mr. FREY.

(The following Members (at the request of Mr. GUDGER) and to include extraneous matter:)

Mr. GONZALEZ in three instances.  
Mr. ANDERSON of California in three instances.

Mr. BLANCHARD.  
Mr. MATHIS.  
Mr. RODINO.  
Mr. BAUCUS.  
Mr. TEAGUE in 10 instances.  
Mr. KILBEE.  
Mr. HOWARD.  
Mr. FLIPPO.  
Mrs. COLLINS of Illinois.  
Mr. NIX.  
Mr. DELANEY.  
Mr. WOLFF in two instances.  
Mr. STUMPF.  
Mr. CORRADA.  
Mr. MIKVA.  
Mr. HEFTEL.  
Mr. ALEXANDER.  
Mr. BONKER.  
Mr. UDALL in two instances.  
Mr. ASHLEY.  
Mr. CHARLES H. WILSON of California.  
Mr. PEPPER.  
Mr. BLOUIN.  
Mr. BYRON in two instances.  
Mr. ZEFERETTI in two instances.  
Mr. HARKIN.  
Mr. RAHALL.  
Mr. BRADEMAS.  
Mr. WAXMAN.  
Mr. RANGEL.  
Mr. COTTER.  
Mr. ROSENTHAL in two instances.  
Mr. BRINKLEY.  
Mr. FORD of Michigan.  
Mr. OTTINGER.  
Mr. AMMERMAN.  
Mr. CARNEY.  
Mr. STUDDS.

#### ADJOURNMENT

Mr. GUDGER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 24 minutes p.m.), under its previous order, the House adjourned until Monday, February 28, 1977, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

813. A letter from the Adjutant General, Veterans of Foreign Wars of the United States, transmitting the proceedings of the 77th National Convention of the Veterans of Foreign Wars, held in New York, N.Y., August 15-20, 1976, pursuant to section 3 of Public Law 88-504 and Public Law 90-620 (H. Doc. 95-87); to the Committee on Armed Services and ordered to be printed with illustrations.

814. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to extend the national

flood insurance program and emergency implementation authority thereunder; to the Committee on Banking, Finance and Urban Affairs.

815. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to provide authorizations for and amend laws relating to housing, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

816. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to extend certain FHA mortgage insurance and related authorities, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

817. A letter from the Director of Communication, Department of Agriculture, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1976, pursuant to 5 U.S.C. 522(d); to the Committee on Government Operations.

818. A letter from the Clerk, U.S. House of Representatives, transmitting his semiannual report of receipts and expenditures for the period July 1 through December 31, 1976, pursuant to section 105(a) of Public Law 88-454 [2 U.S.C. 104a] (H. Doc. No. 95-88); to the Committee on House Administration and ordered to be printed.

819. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a supplemental report on political contributions made by members of the family of Elliott L. Richardson, pursuant to section 6 of Public Law 93-126; to the Committee on International Relations.

820. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to amend the Foreign Relations Authorization Act, Fiscal Year 1976, to authorize additional appropriations for the foreign service buildings program for fiscal year 1977; to the Committee on International Relations.

821. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to amend title I of the Foreign Relations Authorization Act, fiscal year 1977, to authorize additional appropriations for fiscal year 1977; to the Committee on International Relations.

822. A letter from the Acting Director, U.S. Information Agency, transmitting a draft of proposed legislation to amend title II of the Foreign Relations Authorization Act, fiscal year 1977 (Public Law 94-350; 90 Stat 829), to authorize appropriations for the fiscal years 1978 and 1979, and for other purposes; to the Committee on International Relations.

823. A letter from the chairman, U.S. Consumer Product Safety Commission, transmitting the Commission's determination that available scientific information is insufficient to establish that a level of lead in paint above .06 percent but not over .5 percent is safe, pursuant to section 501(3) of the Lead-Based Paint Poisoning Prevention Act, as amended (90 Stat. 706); to the Committee on Interstate and Foreign Commerce.

824. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting the financial report of the corporation for the month of November 1978, pursuant to section 308 (a) (1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

825. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved during the period January 16-31, 1977, according certain beneficiaries third and sixth preference classification, pursuant to section 204

(d) of the Immigration and Nationality Act, as amended (79 Stat. 915); to the Committee on the Judiciary.

826. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting report concerning visa petitions approved during the period Friday February 1-5, 1977, according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended (79 Stat. 915); to the Committee on the Judiciary.

827. A letter from the Chairman, U.S. Consumer Product Safety Commission, transmitting the Commission's comments on the draft bill "Amending title 5 of the United States Code to improve agency rulemaking by establishing paperwork control mechanisms, and by expanding the opportunities for public participation"; to the Committee on the Judiciary.

828. A letter from the Acting Administrator of General Services, transmitting a prospectus proposing the acquisition of space by lease in Atlanta, Ga., pursuant to section 7 (a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

829. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to eliminate the requirement for inspections of the mobile home manufacturing process by the Administrator of Veterans' Affairs; to the Committee on Veterans' Affairs.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DODD: Committee on Rules, House Resolution 337. Resolution providing for the consideration of H.R. 3365. A bill to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions, and for other purposes (Rept. No. 95-26). Referred to the House Calendar.

#### REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. ULLMAN: Committee on Ways and Means. H.R. 3477. A bill to provide for a refund of 1976 individual income taxes and other payments, to reduce individual and business income taxes, and to provide tax simplification and reform; with amendment, and referred to the Committee on Appropriations for a period not to exceed 15 legislative days with instructions to report back to the House as provided in section 401(b) of Public Law 93-344 (Rept. No. 95-27, Pt. I). Ordered to be printed.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEDELL:

H.R. 3998. A bill to assure that an individual or family whose income is increased by reason of a general increase in monthly social security benefits will not, because of such general increase, suffer a loss of or reduction in the benefits the individual or

family has been receiving under certain Federal or federally assisted programs; to the Committee on Ways and Means.

By Mr. BENNETT:

H.R. 3999. A bill to protect the constitutional rights of those subject to the military justice system, to revise the Uniform Code of Military Justice, and for other purposes; to the Committee on Armed Services.

By Mr. BENNETT (for himself, Mr. STEIGER, Mr. MITCHELL of Maryland, Mr. CHARLES H. WILSON of California, Mr. DELLUMS, Mr. ANDERSON of Illinois, Mr. LEHMAN, Mr. STOCKMAN, Mr. PREYER, Mr. DUNCAN of Tennessee, Mr. LLOYD of California, Mr. FASCELL, Mr. PEPPER, Mr. BEDELL, Mrs. FENWICK, Mrs. COLLINS of Illinois, Mr. McCLOSKEY, Mrs. SPELLMAN, Mr. BADILLO, Mr. DICKS, and Mr. TONRY):

H.R. 4000. A bill to amend title 10, United States Code, to regulate the discharge of members of the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. BENNETT (for himself, Mr. FISH, Mr. MCKINNEY, Mr. ARMSTRONG, Mr. CARTER, Mr. HEFNER, Mr. LAGOMARSINO, Mr. WHITEHURST, Mrs. LLOYD of Tennessee, Mrs. SPELLMAN, Mr. FASCELL, Mr. BUCHANAN, and Mr. MATHIS):

H.R. 4001. A bill to amend title 18, United States Code, to provide that any parent who kidnaps his minor child shall be fined not more than \$1,000, or imprisoned for not more than 1 year, or both; to the Committee on the Judiciary.

By Mr. BENNETT (for himself, Mr. RYAN, Mr. OBERSTAR, Mr. RUNNELS, Mr. BOLAND, Mr. BEDELL, Mr. CORRADA, Mrs. FENWICK, Mr. SCHEUER, Mr. AKAKA, Mr. CHARLES WILSON of Texas, Mr. TONRY, Mr. GOLDWATER, Mr. MAZZOLI, Mr. HORTON, and Mr. NEAL):

H.R. 4002. A bill to amend title 18, United States Code, to provide that any parent who kidnaps his minor child shall be fined not more than \$1,000, or imprisoned for not more than 1 year, or both; to the Committee on the Judiciary.

By Mr. COHEN (for himself, Mr. ICHORD, Mr. ANDERSON of Illinois, Mr. BRECKINRIDGE, Mr. D'AMOURS, Mr. DAVIS, Mr. DRINAN, Mr. MITCHELL of New York, Mr. RAILSBACK, Ms. SCHROEDER, Mrs. SPELLMAN, and Mr. ZEPERETTI):

H.R. 4003. A bill to establish requirements for notification of Congress before the closure of, or significant reduction in force at, any military installation is carried out; to the Committee on Armed Services.

By Mrs. COLLINS of Illinois (for herself, Mr. BADILLO, Mr. BEARD of Rhode Island, Mr. BEDELL, Mr. BRODHEAD, Mrs. CHISHOLM, Mr. CORRADA, Mr. DELLUMS, Mr. FLORIO, Mr. FORD of Tennessee, Mr. JENNETTE, Mr. LE FANTE, Mr. LEHMAN, Mr. MAGUIRE, Mrs. MEYNER, Ms. MIKULSKI, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. OTTINGER, Mr. PEASE, Mr. RICHMOND, Mr. ROSENTHAL, Mr. ROYBAL, and Mr. SCHEUER)

H.R. 4004. A bill to amend the Elementary and Secondary Education Act of 1965 to preserve the eligibility of certain children for assistance through grade 3, notwithstanding improvements in their reading aptitude; to the Committee on Education and Labor.

By Mrs. COLLINS of Illinois (for herself, Mr. SEIBERLING, Mr. STARK, Mr. TONRY, Mr. TRAXLER, Mr. VENTO, and Mr. WOLFF):

H.R. 4005. A bill to amend the Elementary and Secondary Education Act of 1965 to preserve the eligibility of certain children for

assistance through grade 3, notwithstanding improvements in their reading aptitude; to the Committee on Education and Labor.

By Mr. CORMAN:

H.R. 4006. A bill to amend title XVIII of the Social Security Act to establish a program of long-term care services within the medicare program, to provide for the creation of community long-term care centers and State long-term care agencies as part of a new administrative structure for the organization and delivery of long-term care services, to provide a significant role for persons eligible for long-term care benefits in the administration of the program, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 4007. A bill to amend the Internal Revenue Code of 1954 to designate the home of a State legislator for income tax purposes and for other purposes; to the Committee on Ways and Means.

By Mr. CORMAN (for himself, Mr. ANDREWS of North Dakota, Mr. BADILLO, Mr. CORRADA, Mr. GAMMAGE, Mr. GLICKMAN, Mr. LEDERER, Mr. LE FANTE, Mr. MITCHELL of Maryland, Mr. MOORHEAD of California, Mr. MURPHY of Illinois, Mr. PANETTA, Mr. ROYBAL, Mr. STARK, and Mr. ZEPERETTI):

H.R. 4008. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly, to the Committees on Ways and Means, Interstate and Foreign Commerce.

By Mr. CORMAN (for himself, Mr. BADILLO, Mr. CORRADA, Mr. GLICKMAN, Mr. LEDERER, Mr. LE FANTE, Mr. MITCHELL of Maryland, Mr. OTTINGER, Mr. PANETTA, Mr. STARK, and Mr. ZEPERETTI):

H.R. 4009. A bill to amend title XVIII of the Social Security Act to provide for the coverage of certain psychologists' services under the supplementary medical insurance benefits program established by part B of such title; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. CORMAN (for himself, Mr. BADILLO, Mr. BREAUX, Mr. CORNWELL, Mr. CORRADA, Mr. GAMMAGE, Mr. LEDERER, Mr. OTTINGER, Mr. CHARLES WILSON of Texas, Mr. WOLFF, and Mr. ZEPERETTI):

H.R. 4010. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. CORMAN (for himself, Mr. BOLLING, Mr. BONIOR, Mr. BONKER, Mrs. BURKE of California, Mr. HARRIS, Mr. HAWKINS, Mr. TRAXLER, Mr. WEISS, and Mr. ZABLOCKI):

H.R. 4011. A bill to create a national system of health security; jointly, to the Committee on Ways and Means, and Interstate and Foreign Commerce.

By Mr. CORNWELL (for himself, Mr. UDALL, Mr. BRODHEAD, Mr. OTTINGER, Mr. MURPHY of Pennsylvania, Mr. ROGERS, Mr. AKAKA, Mr. MOSS, Mr. HAWKINS, Mr. AUCOIN, Mr. CHARLES WILSON of Texas, Mr. SANTINI, Mr. DAN DANIEL, Mr. ST GERMAIN, Mr. WHITEHURST, Mr. DELLUMS, Mr. BEDELL, Mr. RAHALL, Mr. SCHEUER, Mr. MITCHELL of Maryland, Mr. ZEPERETTI, Mr. MOFFETT, Mr. GEPHART, RONCALIO, and Mr. MAZZOLI):

H.R. 4012. A bill to amend title VII of the

Social Security Act to require that social security and supplemental security income benefit checks be mailed in time for delivery prior to the regularly scheduled delivery day whenever that day falls on a Saturday, Sunday, or legal holiday; to the Committee on Ways and Means.

By Mr. DUNCAN of Tennessee:

H.R. 4013. A bill to authorize appropriations for coal extraction and preparation technology research; to the Committee on Interior and Insular Affairs.

H.R. 4014. A bill to provide for grants for pilot testing of coal land reclamation proposals; to the Committee on Interior and Insular Affairs.

H.R. 4015. A bill to amend title XVIII of the Social Security Act to provide for comprehensive and quality health care for persons with communicative disorders under the health insurance program (medicare) including preventive, diagnostic, treatment, and rehabilitative functions; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. EILBERG:

H.R. 4016. A bill to amend title II of the Social Security Act to reduce from 72 to 65 the age beyond which deductions on account of an individual's outside earnings will no longer be made from such individual's benefits; to the Committee on Ways and Means.

By Mr. EVANS of Delaware:

H.R. 4017. A bill to amend the Local Public Works Capital Development and Investment Act of 1976 to permit priority consideration of applications from certain local governments; to the Committee on Public Works and Transportation.

H.R. 4018. A bill to suspend until the close of June 30, 1979, the duty on certain doxorubicin hydrochloride antibiotics and for other purposes; to the Committee on Ways and Means.

By Mr. FASCELL:

H.R. 4019. A bill to prohibit travel at Government expense outside the United States by Members of Congress who have been defeated, or who have resigned, or retired; to the Committee on House Administration.

By Mr. FISH:

H.R. 4020. A bill to amend titles 10 and 32, United States Code, to authorize additional medical and dental care and other related benefits for Reservists and members of the National Guard, under certain conditions; to the Committee on Armed Services.

H.R. 4021. A bill to require the inspection of certain towing vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 4022. A bill to amend the Internal Revenue Code of 1954 to encourage manufacturing-related investment in any State which has an unemployment rate which exceeds the national unemployment rate; to the Committee on Ways and Means.

By Mr. FORD of Tennessee (for himself, Mr. CONTE, Mr. AKAKA, Mr. BADILLO, Mr. BAUCUS, Mr. BROWN of California, Mr. BUCHANAN, Mr. CORNWELL, Mr. DAN DANIEL, Mr. EILBERG, Mr. EMERY, Mr. ERTTEL, Mrs. FENWICK, Mr. FRASER, Mr. HORTON, Mr. HOWARD, Mr. LOYD of California, Mr. MCCORMACK, Mr. MURPHY of Pennsylvania, Mr. ROONEY, Mr. ROYBAL, Mr. SCHEUER, Mr. STEERS, Mr. WAXMAN, and Mr. WEAVER):

H.R. 4023. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. FRASER (for himself, Mr. ANDERSON of Illinois, Mr. ASHLEY, Mr. BADILLO, Mr. BEDELL, Mr. BINGHAM, Mr. BLANCHARD, Mr. BLOUIN, Mr. BONIOR, Mr. BONKER, Mr. BRADEMAS, Mr. BROWN of California, Mr. BUCHANAN, Ms. BURKE of California, Mr. JOHN L. BURTON, Mr. CARR, Ms. CHISHOLM, Mr. CLAY, Mr. COHEN, Ms. COLLINS of Illinois, Mr. CONYERS, Mr. CORMAN, Mr. CORRADA, Mr. COTTER, and Mr. DELLUMS):

H.R. 4024. A bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome; to the Committee on International Relations.

By Mr. FRASER (for himself, Mr. DICKS, Mr. DIGGS, Mr. DODD, Mr. DOWNEY, Mr. DRINAN, Mr. EDGAR, Mr. EDWARDS of California, Mr. FASCELL, Mr. FAUNTROY, Ms. FENWICK, Mr. FINDLEY, Mr. FORD of Tennessee, Mr. HAMILTON, Mr. HARKIN, Mr. HARRINGTON, Mr. HAWKINS, Ms. HOLTZMAN, Mr. HORTON, Mr. JENNETTE, Ms. JORDAN, Mr. KASTENMEIER, Ms. KEYS, Mr. KOCH, and Mr. KOSTMAYER):

H.R. 4025. A bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome; to the Committee on International Relations.

By Mr. FRASER (for himself, Mr. LEDERER, Mr. LEGGETT, Mr. LEHMAN, Mr. MCHUGH, Mr. MCKINNEY, Mr. MAGUIRE, Mr. METCALFE, Ms. MEYNER, Ms. MIKULSKI, Mr. MILLER of California, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOFFETT, Mr. MOSS, Mr. NIX, Mr. OREY, Mr. OTTINGER, Mr. PANETTA, Mr. PEPPER, Mr. RANGEL, Mr. REUSS, Mr. RODINO, Mr. ROSENTHAL, and Mr. ROYBAL):

H.R. 4026. A bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome; to the Committee on International Relations.

By Mr. FRASER (for himself, Mr. RYAN, Mr. SCHEUER, Mr. SEIBERLING, Mr. SIMON, Mr. SOLARZ, Ms. SPELLMAN, Mr. STOKES, Mr. STUDDS, Mr. THOMPSON, Mr. TONRY, Mr. UDALL, Mr. VENTO, Mr. WEISS, Mr. WIRTH, Mr. WHALEN, Mr. CHARLES WILSON of Texas, Mr. WOLFF, and Mr. ZABLOCKI):

H.R. 4027. A bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome; to the Committee on International Relations.

By Mr. FREY:

H.R. 4028. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. GILMAN:

H.R. 4029. A bill to amend the Internal Revenue Code of 1954 to allow a credit for amounts paid for insulation and solar energy equipment, and for other purposes; to the Committee on Ways and Means.

By Mr. GUYER (for himself and Mr. WAGGONNER):

H.R. 4030. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the stock which certain private foundations may hold in certain public utilities without being subject to the excise tax on excess business holdings; to the Committee on Ways and Means.

By Mr. HARKIN (for himself, Mr. BAUCUS, Mr. LUNDINE, Mr. ANDREWS of North Dakota, and Mr. ST GERMAIN):

H.R. 4031. A bill to establish a program for repairing and replacing unsafe highway bridges; jointly, to the Committees on Public Works and Transportation, and Ways and Means.

By Mr. HOWARD:

H.R. 4032. A bill to amend title 5, United States Code, to require the heads of the respective executive agencies to provide the Congress with advance notice of certain planned organizational and other changes or actions which would affect Federal civilian employment, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. KETCHUM:

H.R. 4033. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide that occupants have priority in the purchase of surplus Government housing; to the Committee on Government Operations.

By Mr. KREBS (for himself and Mr. SISK):

H.R. 4034. A bill to authorize the Secretary of the Interior to engage in a feasibility investigation of a potential water resource development; to the Committee on Interior and Insular Affairs.

By Mr. LEHMAN:

H.R. 4035. A bill to encourage the conservation of energy by requiring that certain buildings financed with Federal funds are so designed and constructed that the windows in such buildings can be opened and closed manually; to the Committee on Banking, Finance and Urban Affairs.

H.R. 4036. A bill to amend title 38, United States Code, to eliminate the time period in which a veteran has to use his educational benefits; to the Committee on Veterans' Affairs.

By Mr. LOTT (for himself, Mr. MOORHEAD of California, Mr. COLLINS of Texas, Mr. MATHIS, Mr. BUCHANAN, Mr. BURKE of Florida, Mr. NEAL, Mr. COCHRAN, Mr. BADHAM, Mr. MONTGOMERY, Mr. DORNAN, and Mrs. FENWICK):

H.R. 4037. A bill to define letter mail under the Private Express Statutes; to the Committee on Post Office and Civil Service.

By Mr. LUKEN:

H.R. 4038. A bill to amend the Federal Election Campaign Act of 1971 to provide that candidates for Federal office may not make personal use of excess campaign contributions and other amounts contributed to such candidates, and for other purposes; to the Committee on House Administration.

By Mr. McFALL:

H.R. 4039. A bill to establish a National Energy and Conservation Corporation (AM-POWER), and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and Science and Technology.

By Mr. MATHIS:

H.R. 4040. A bill to amend chapter 49 of title 10, United States Code, to prohibit union organization in the Armed Forces, and for other purposes; to the Committee on Armed Services.

H.R. 4041. A bill to provide a penalty for the robbery or attempted robbery of any narcotic drug from any pharmacy; to the Committee on the Judiciary.

H.R. 4042. A bill to permit collective negotiation by professional retail pharmacists with third-party prepaid prescription program administrators and sponsors; to the Committee on the Judiciary.

H.R. 4043. A bill to amend title 38 of the United States Code to permit veterans to determine how certain drugs and medicines will be supplied to them; to the Committee on Veterans' Affairs.

By Mr. NIX (for himself, Mr. HAWKINS, Mr. SCHEUER, Mr. BAFALIS, Mr. CHARLES H. WILSON of California, Mr. WON PAT, Mr. WHITEHURST, Mr. WOLFF, Mr. ROE, Mr. ROBINSON, Mr. DELLUMS, Mr. METCALFE, Mr. BEVILL,

Mr. PRITCHARD, Mr. MURPHY of Illinois, Mr. MITCHELL of Maryland, Mr. DAVIS, Mr. NEAL, Mr. EDWARDS of Oklahoma, Mr. MICHAEL O. MYERS, Mr. ZERERETTI, Mr. MURPHY of New York, Mr. ERTEL, Mr. DIGGS, and Mr. LEDEBERER):

H.R. 4044. A bill to provide a penalty for the robbery or attempted robbery of any controlled substance from any pharmacy; to the Committee on the Judiciary.

By Mr. RAHALL:

H.R. 4045. A bill to amend title 5, United States Code, to provide for the reclassification of positions of deputy U.S. marshal, to include supervisory and managerial or specialists positions, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SARASIN (for himself, Mr. ADDABBO, Mr. BRECKINRIDGE, Mr. COTTER, Mr. DRINAN, Mr. ELBERG, Ms. HOLTZMAN, Mr. HORTON, Mr. LEFANTE, Mr. MINETA, Mr. MOFFETT, Mr. OTTINGER, Mr. PATTEN, Mr. RANGEL, Mr. VENTO, Mr. WON PAT, and Mr. ZEPERETTI):

H.R. 4046. A bill to provide for the development and implementation of programs for youth camp safety; to the Committee on Education and Labor.

By Mr. SAWYER:

H.R. 4047. A bill to repeal the provisions of law allowing automatic cost-of-living adjustments in the salaries of Members of Congress; to the Committee on Post Office and Civil Service.

By Mr. SLACK:

H.R. 4048. A bill to amend the Internal Revenue Code of 1954 to encourage greater conservation of energy in home heating and cooling by allowing individuals a credit of 25 percent of amounts paid or incurred for the installation of more effective insulation and heating equipment in existing residential structures; to the Committee on Ways and Means.

By Mr. STAGGERS (for himself, Mr. ROONEY, Mr. DEVINE, and Mr. SKUBITZ):

H.R. 4049. A bill to amend the Regional Rail Reorganization Act of 1973 to authorize additional appropriations for the U.S. Railway Association; to the Committee on Interstate and Foreign Commerce.

By Mr. STUMP (for himself, Mr. RHODES, Mr. RUDD, and Mr. UDALL):

H.R. 4050. A bill to amend Public Law 94-565 to provide funds for schools in the Grand Canyon National Park; to the Committee on Interior and Insular Affairs.

By Mr. SYMMS (for himself, Mr. ADDABBO, Mr. ASHBROOK, Mr. BAUMAN, Mr. BURGNER, Mr. DEL CLAWSON, Mr. DEVINE, Mr. DORNAN, Mr. GOLDWATER, Mr. GOODLING, Mr. GUYER, Mr. HAGEDORN, Mr. HANSEN, Mr. KELLY, Mr. KEMP, Mr. MILLER of Ohio, Mr. MOORHEAD of California, Mr. RANGEL, Mr. RINALDO, Mr. ROUSSELOT, Mr. RUPPE, Mr. SEBELIUS, Mr. SISK, Mr. TAYLOR, and Mr. THONE):

H.R. 4051. A bill to expand the medical freedom of choice of consumers by amending the Federal Food, Drug, and Cosmetic Act to provide that drugs will be regulated under the act solely to assure their safety; to the Committee on Interstate and Foreign Commerce.

By Mr. THONE:

H.R. 4052. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. VOLKMER (for himself and Mr. GEPHARDT):

H.R. 4053. A bill to authorize the construction of a replacement lock and dam for Locks and Dam 26, Mississippi River, Alton, Ill., and for other purposes; to the Committee on Public Works and Transportation.

By Mr. WHITEHURST (for himself, Mr. COHEN, Mr. HYDE, Mr. KINDNESS, Mr. MOTT, Mrs. SPELLMAN, Mr. TONRY, and Mr. WINN):

H.R. 4054. A bill to authorize a career education program for elementary and secondary schools, and for other purposes; to the Committee on Education and Labor.

By Mr. WHITEHURST (for himself, Mr. BEDELL, Mr. BUTLER, Mrs. COLLINS of Illinois, Mr. ROBERT W. DANIEL, Jr., Mr. DERWINSKI, Mr. FINDLEY, Mr. HANNAFORD, Mr. HARRIS, Mr. HAWKINS, Mr. SCHEUER, Mr. TONRY, Mr. CHARLES WILSON of Texas, and Mr. YOUNG of Florida):

H.R. 4055. A bill to amend the Ports and Waterways Safety Act of 1972, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. WHITEHURST (for himself, Mr. BEDELL, Mr. BUTLER, Mr. ROBERT W. DANIEL, Jr., Mr. DERWINSKI, Mr. FINDLEY, Mr. HANNAFORD, Mr. HAWKINS, Mr. SCHEUER, Mr. TONRY, Mr. CHARLES WILSON of Texas, and Mr. YOUNG of Florida):

H.R. 4056. A bill to require that a percentage of U.S. oil imports be carried on U.S.-flag vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. WHITEHURST (for himself, Mr. BEDELL, Mr. BOLAND, Mr. DAN DANIEL, Mr. EDWARDS of Oklahoma, Mr. ERTEL, Mrs. FENWICK, Mr. KEMP, Mr. KINDNESS, Mr. MOORHEAD of California, Mr. OTTINGER, Mr. ROBINSON, Mr. STEIGER, and Mr. VENTO):

H.R. 4057. A bill to amend section 3682 of title 39, United States Code, to increase the size and weight limits for parcel post mail; to the Committee on Post Office and Civil Service.

By Mr. WHITTEN:

H.R. 4058. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

H.R. 4059. A bill to amend the Internal Revenue Code of 1954 to exempt certain agricultural aircraft from the aircraft use tax, to provide for the refund of the gasoline tax to the agricultural aircraft operator, and for other purposes; to the Committee on Ways and Means.

By Mr. WOLFF (for himself, Mr. LENT, Mr. AMBRO, Mr. WALSH, Mr. MAGUIRE, Mr. BOLAND, Mr. CEDERBERG, Mr. MARKEY, Mr. BLANCHARD, Mr. CARR, Ms. COLLINS of Illinois, Mr. MOFFETT, Mr. BONIOR, Mr. ASHLEY, Mr. MITCHELL of Maryland, Mr. SEIBERLING, Mr. KOSTMAYER, Mr. STEERS, Ms. SPELLMAN, Mr. FORD of Michigan, Mr. VANDER JAGT, and Mr. SARASIN):

H.R. 4060. A bill to amend the Federal Water Pollution Control Act relating to the period of time for which certain funds allotted to States for the construction of treatment works shall remain available; to the Committee on Public Works and Transportation.

By Mr. ZEPERETTI:

H.R. 4061. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer

to defer a portion of his income tax based upon the amount of certain expenses paid or incurred by him in connection with the education or training at an institution of higher education or a vocational school of the taxpayer, his spouse, or any dependent; to the Committee on Ways and Means.

By Mr. ANDERSON of California (for himself and Mr. SANTINI):

H.R. 4062. A bill to amend title II of the Social Security Act to increase to \$7,500 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. BRODHEAD (for himself, Mr. BLANCHARD, Mr. PURSELL, Mr. NEDZI, Mr. CEDERBERG, Mr. KILDEE, Mr. DIGGS, Mr. CARR, Mr. FORD of Michigan, and Mr. BROWN of Michigan):

H.R. 4063. A bill to amend the Internal Revenue Code of 1954 to repeal the excise tax on trucks, buses, and tractors and parts and accessories for such vehicles; to the Committee on Ways and Means.

By Mr. BROWN of Michigan (for himself, Mr. MICHEL, and Mr. DON H. CLAUSEN):

H.R. 4064. A bill to amend the National Housing Act to increase maximum mortgage amounts and reduce downpayment requirements under certain FHA single-family mortgage insurance programs, to permit full implementation of the graduated payment mortgage program, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BUCHANAN (for himself, Mr. BEVILL, Mr. DICKINSON, Mr. FLOWERS, and Mr. NICHOLS):

H.R. 4065. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BURKE of Massachusetts:

H.R. 4066. A bill to amend title 38 of the United States Code in order to entitle veterans with service-connected disabilities rated as total to domestic and overseas travel on military aircraft on a space-available basis; to the Committee on Veterans' Affairs.

By Mr. DRINAN (for himself, Mr. BADELLO, Mr. BEDELL, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Mr. DE LA GARZA, Mr. DOWNEY, Mr. EDWARDS of California, Mr. EILBERG, Mr. HAWKINS, Mr. JENNETTE, Mr. LEGGETT, Mr. MAZZOLI, Mr. MITCHELL of Maryland, Mr. MICHAEL O. MYERS, Mr. PRICE, Mr. ROYAL, Mr. RYAN, Mr. SCHEUER, Mr. SEIBERLING, Mr. SIMON, Mr. SOLARZ, and Mr. STOKES):

H.R. 4067. A bill to amend the Wagner-Peyser Act to provide more effective job placement services, improved administration and management planning, review of policy alternatives, innovative employment services, and for other purposes; to the Committee on Education and Labor.

By Mr. EVANS of Colorado:

H.R. 4068. A bill to direct the Secretary of the Interior to amend the legal description of certain land conveyed by the United States in a land patent; to the Committee on Interior and Insular Affairs.

H.R. 4069. A bill to establish a comprehensive system for regulation of weather modification activities, and for other purposes;

to the Committee on Science and Technology.

By Mr. FINDLEY:

H.R. 4070. A bill to authorize a program to alleviate siltation problems at Quincy Bay and Broad and Triangle Lake areas, Illinois; to the Committee on Public Works and Transportation.

By Mr. FITHIAN:

H.R. 4071. A bill to deauthorize the Lafayette Dam and Reservoir, Wabash River, Ind.; to the Committee on Public Works and Transportation.

By Mr. FLOOD:

H.R. 4072. A bill to provide authorizations for the Department of State, and for other purposes; to the Committee on International Relations.

By Mr. FREY:

H.R. 4073. A bill to amend the Communications Act of 1934 with respect to the renewal of licenses for the operation of broadcasting stations; to the Committee on Interstate and Foreign Commerce.

By Mr. KETCHUM:

H.R. 4074. A bill to amend the Internal Revenue Code of 1954 to repeal the provisions requiring withholding of tax on certain gambling winnings; to the Committee on Ways and Means.

By Mr. KETCHUM (for himself and Mr. MOORHEAD of California):

H.R. 4075. A bill to amend the Internal Revenue Code of 1954 with respect to income earned abroad by U.S. citizens living or residing abroad; to the Committee on Ways and Means.

By Ms. KEYS (for herself, Mr. BONIOR, and Mr. WIRTH):

H.R. 4076. A bill to relieve taxpayers from liability with respect to certain underpayments of estimated tax, underwithholding, and interest on underpayments of tax attributable to the application to 1976 of the sick pay and other provisions of the Tax Reform Act of 1976; to the Committee on Ways and Means.

By Mr. MANN:

H.R. 4077. A bill granting an extension of patent to the United Daughters of the Confederacy; to the Committee on the Judiciary.

H.R. 4078. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. MARKS:

H.R. 4079. A bill to offset the human and economic hardships created by critical shortages of energy supplies because of unusually severe weather conditions; jointly to the Committees on Banking, Finance and Urban Affairs, Education and Labor, and Small Business.

By Mr. MINETA:

H.R. 4080. A bill to amend the act of September 7, 1957, relating to the Government guarantee of private loans to certain air carriers, to require that, with respect to the purchase of turbojet-powered aircraft, guarantees only be made if the aircraft comply with certain noise standards; to the Committee on Public Works and Transportation.

H.R. 4081. A bill to preserve the public health, safety, and welfare by prohibiting the entrance into and operation within the United States of civil supersonic aircraft that do not meet appropriate noise standards; to the Committee on Public Works and Transportation.

By Mr. MINISH (for himself, Mr. EVANS of Indiana, Mr. GONZALEZ, Mr. ANNUNZIO, Mr. ALLEN, Mr. MITCHELL of Maryland, Mrs. SPELLMAN, Mr. MCKINNEY, Mr. BROOKS, and Mr. REUSS):

H.R. 4082. A bill to revise and extend the

Renegotiation Act of 1951; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MURPHY of New York (for himself, Mr. LEGGETT, and Mr. FORTSYTHE):

H.R. 4083. A bill to authorize funds for the acquisition, improvement, rehabilitation, and maintenance of the National Wildlife Refuge System areas, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. NIX (for himself, Mr. BAFALIS, Mr. BEVILL, Mr. CARR, Mr. DAVIS, Mr. DELLUMS, Mr. DIGGS, Mr. EDWARDS of Oklahoma, Mr. ETEL, Mr. GILMAN, Mr. HAWKINS, Mr. LEDERER, Mr. METCALFE, Mr. MITCHELL of Maryland, Mr. MURPHY of Illinois, Mr. MURPHY of New York, Mr. MICHAEL O. MYERS, Mr. NEAL, Mr. PRITCHARD, Mr. ROBINSON, Mr. ROE, Mr. SCHEUER, Ms. SPELLMAN, Mr. WHITEHURST, and Mr. CHARLES H. WILSON of California):

H.R. 4084. A bill to provide a penalty for the robbery or attempted robbery of any controlled substance from any pharmacy; to the Committee on the Judiciary.

By Mr. NIX (for himself, Mr. WOLFF, Mr. WON PAT, and Mr. ZEPERETTI):

H.R. 4085. A bill to provide a penalty for the robbery or attempted robbery of any controlled substance from any pharmacy; to the Committee on the Judiciary.

By Mr. ROGERS:

H.R. 4086. A bill to amend title 38 of the United States Code to provide that veterans' pension and compensation will not be reduced as a result of certain increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. ROGERS (for himself, Mr. ROSTENOWSKI, Mr. FORD of Tennessee, Mr. HEFNER, Mr. MIKVA, Mr. MOORHEAD of California, and Mr. QUITE):

H.R. 4087. A bill to strengthen the capability of the Government to detect, prosecute, and punish fraudulent activities under the medicare and medicaid programs, and for other purposes; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. TEAGUE (by request):

H.R. 4088. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Science and Technology.

By Mr. ULLMAN (for himself, Mr. FRENZEL, Mr. RONCALIO, and Mr. UDALL):

H.R. 4089. A bill to amend the Internal Revenue Code of 1954 to provide the same tax exemptions and general tax treatment to recognized Indian tribes as are applicable to other governmental units; to the Committee on Ways and Means.

By Mr. WAGGONER:

H.R. 4090. A bill relating to the withholding on the proceeds of certain wagers with respect to horse races, dog races, and jai alai; to the Committee on Ways and Means.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. BADELLO, Mr. BUTLER, Mr. CONYERS, Mr. DIGGS, Mr. DOWNEY, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. EILBERG, Mr. FASCELL, Mr. FLORIO, Mr. FORD of Tennessee, Mr. HANNAFORD, Mr. HARRINGTON, Mr. HEFTEL, Ms. HOLTZMAN, Mr. HUGHES, Mr. JOHNSON of California, and Miss JORDAN):

H.R. 4091. A bill to provide that certain cost-of-living and other increased benefits received under title II of the Social Security Act will not be considered as income for purposes of determining eligibility and the amount of benefits of participants in the

food stamp program and for purposes of determining eligibility and the amount of benefits of participants in certain programs concerning surplus agricultural commodities; to the Committee on Agriculture.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mrs. KEYS, Ms. LLOYD of Tennessee, Mr. MATHIS, Mr. MAZZOLI, Mr. METCALFE, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MURPHY of Pennsylvania, Mr. OTTINGER, Mr. PATTEN, Mr. PEASE, Mr. PEPPER, Mr. RAHALL, Mr. RODINO, Mr. SARASIN, Mr. SIMON, and Mr. STUDDS):

H.R. 4092. A bill to provide that certain cost-of-living and other increased benefits received under title II of the Social Security Act will not be considered as income for purposes of determining eligibility and the amount of benefits of participants in the food stamp program and for purposes of determining eligibility and the amount of benefits of participants in certain programs concerning surplus agricultural commodities; to the Committee on Agriculture.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. VENTO, Mr. WEISS, and Mr. ZEFERETTI):

H.R. 4093. A bill to provide that certain cost-of-living and other increased benefits received under title II of the Social Security Act will not be considered as income for purposes of determining eligibility and the amount of benefits of participants in the food stamp program and for purposes of determining eligibility and the amount of benefits of participants in certain programs concerning surplus agricultural commodities; to the Committee on Agriculture.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. BADELLO, Mr. BUTLER, Mr. CONYERS, Mr. DIGGS, Mr. DOWNEY, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. EILBERG, Mr. FASCELL, Mr. FLORIO, Mr. FORD of Tennessee, Mr. HANNAFORD, Mr. HARRINGTON, Mr. HEFTTEL, Ms. HOLTZMAN, Mr. HUGHES, Mr. JOHNSON of California, and Miss JORDAN):

H.R. 4094. A bill to provide that social security benefit increases occurring after May 1977 shall not be considered as income or resources for the purposes of determining the eligibility for or amount of assistance which any individual or family is provided under certain Federal housing laws; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mrs. KEYS, Ms. LLOYD of Tennessee, Mr. MATHIS, Mr. MAZZOLI, Mr. METCALFE, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MURPHY of Pennsylvania, Mr. OTTINGER, Mr. PATTEN, Mr. PEASE, Mr. PEPPER, Mr. RAHALL, Mr. RODINO, Mr. SIMON, and Mr. STUDDS):

H.R. 4095. A bill to provide that social security benefit increases occurring after May 1977 shall not be considered as income or resources for the purposes of determining the eligibility for or amount of assistance which any individual or family is provided under certain Federal housing laws; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. VENTO, Mr. WEISS, and Mr. ZEFERETTI):

H.R. 4096. A bill to provide that social security benefit increases occurring after May 1977 shall not be considered as income or resources for the purposes of determining the eligibility for or amount of assistance which any individual or family is provided under certain Federal housing laws; to the Committee on Banking, Finance and Urban Affairs:

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. BADELLO, Mr. BUTLER, Mr. CONYERS, Mr. DIGGS, Mr. DOWNEY, Mr. DUNCAN of Tennessee, Mr. EDGAR,

Mr. EILBERG, Mr. FASCELL, Mr. FLORIO, Mr. FORD of Tennessee, Mr. HANNAFORD, Mr. HARRINGTON, Mr. HEFTTEL, Ms. HOLTZMAN, Mr. HUGHES, Mr. JOHNSON of California, and Miss JORDAN):

H.R. 4097. A bill to amend title XIX of the Social Security Act to make certain that individuals otherwise eligible for medicaid benefits do not lose such eligibility, or have the amount of such benefits reduced, because of increases in monthly social security benefits; to the Committee on Interstate and Foreign Commerce.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mrs. KEYS, Ms. LLOYD of Tennessee, Mr. MATHIS, Mr. MAZZOLI, Mr. METCALFE, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MURPHY of Pennsylvania, Mr. OTTINGER, Mr. PATTEN, Mr. PEASE, Mr. PEPPER, Mr. RAHALL, Mr. RODINO, Mr. SARASIN, Mr. SIMON, and Mr. STUDD):

H.R. 4098. A bill to amend title XIX of the Social Security Act to make certain that individuals otherwise eligible for medicaid benefits do not lose such eligibility, or have the amount of such benefits reduced, because of increases in monthly social security benefits; to the Committee on Interstate and Foreign Commerce.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. VENTO, Mr. WEISS, and Mr. ZEFERETTI):

H.R. 4099. A bill to amend title XIX of the Social Security Act to make certain that individuals otherwise eligible for medicaid benefits do not lose such eligibility, or have the amount of such benefits reduced, because of increases in monthly social security benefits; to the Committee on Interstate and Foreign Commerce.

By Mr. WHALEN (for himself, Mr. HILLIS, and Mr. ZEFERETTI):

H.R. 4100. A bill to provide that any increase in the rate of pay for Members of Congress proposed during any Congress shall not take effect earlier than the beginning of the next Congress; to the Committee on Post Office and Civil Service.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. BADELLO, Mr. BUTLER, Mr. CONYERS, Mr. DIGGS, Mr. DOWNEY, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. EILBERG, Mr. FASCELL, Mr. FLORIO, Mr. HANNAFORD, Mr. HARRINGTON, Mr. HEFTTEL, Ms. HOLTZMAN, Mr. HUGHES, Mr. JOHNSON of California, and Miss JORDAN):

H.R. 4101. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension or compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mrs. KEYS, Ms. LLOYD of Tennessee, Mr. MATHIS, Mr. MAZZOLI, Mr. METCALFE, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MURPHY of Pennsylvania, Mr. OTTINGER, Mr. PATTEN, Mr. PEASE, Mr. PEPPER, Mr. RAHALL, Mr. RODINO, Mr. SARASIN, Mr. SIMON, and Mr. STUDDS):

H.R. 4102. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. VENTO, Mr. WEISS, and Mr. ZEFERETTI):

H.R. 4103. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of

increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mrs. KEYS, Ms. LLOYD of Tennessee, Mr. MATHIS, Mr. MAZZOLI, Mr. METCALFE, Mr. MINETA, Mr. MITCHELL of Maryland, Mr. MURPHY of Pennsylvania, Mr. OTTINGER, Mr. PATTEN, Mr. PEASE, Mr. PEPPER, Mr. RAHALL, Mr. RODINO, Mr. SARASIN, Mr. SIMON, and Mr. STUDDS):

H.R. 4104. A bill to amend the Social Security Act to make certain that recipients of aid to families with dependent children and recipients of supplemental security income benefits will not have the amount of such aid or benefits reduced because of increases in monthly social security benefits; to the Committee on Ways and Means.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. BADELLO, Mr. BUTLER, Mr. CONYERS, Mr. DIGGS, Mr. DOWNEY, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. EILBERG, Mr. FASCELL, Mr. FLORIO, Mr. FORD of Tennessee, Mr. HANNAFORD, Mr. HARRINGTON, Mr. HEFTTEL, Ms. HOLTZMAN, Mr. HUGHES, Mr. JOHNSON of California, and Ms. JORDAN):

H.R. 4105. A bill to amend the Social Security Act to make certain that recipients of aid to families with dependent children and recipients of supplemental security income benefits will not have the amount of such aid or benefits reduced because of increases in monthly social security benefits; to the Committee on Ways and Means.

By Mr. WHALEN (for himself, Mr. SEIBERLING, Mr. VENTO, Mr. WEISS, and Mr. ZEFERETTI):

H.R. 4106. A bill to amend the Social Security Act to make certain that recipients of aid to families with dependent children and recipients of supplemental security income benefits will not have the amount of such aid or benefits reduced because of increases in monthly social security benefits; to the Committee on Ways and Means.

By Mr. BURLISON of Missouri (for himself, and Mr. McCORMACK):

H.J. Res. 281. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. LONG of Maryland (for himself, Mr. STUMP, Mr. CHARLES WILSON of Texas, Mr. EVANS of Georgia, Mr. KETCHUM, and Mr. WHITLEY):

H.J. Res. 282. Joint resolution proposing an amendment to the Constitution of the United States to provide that the President shall not, without the approval of Congress, grant a pardon to a person for a criminal offense against the United States for which such person has not been convicted; to the Committee on the Judiciary.

By Mr. MATHIS:

H.J. Res. 283. Joint resolution to designate the week commencing with the third Monday in February of each year as National Patriotism Week; to the Committee on Post Office and Civil Service.

By Mr. WHITEHURST (for himself, Mr. BEDELL, Mr. BUTLER, Mr. ROBERT W. DANIEL, JR., Mr. DERWINSKI, Mr. FINDLEY, Mr. HARRIS, Mr. HAWKINS, Mr. KINDNESS, Mr. SCHEUER, Mr. SIMON, Mr. TONRY, Mr. CHARLES WILSON of Texas, and Mr. YOUNG of Florida):

H.J. Res. 284. Joint resolution calling for protection of international waters from further pollution; to the Committee on International Relations.

By Mr. WIRTH (for himself, Mr. WHALEN, Mr. OTTINGER, Mr. BINGHAM, Mr. CARR, Mr. CHISHOLM, Mr. CONTE, Mr. CORRADA, Mr. EDGAR, Mr. KILDEE,

Mr. KOCH, Mr. MITCHELL of Maryland, Mr. MOSS, Mr. PATTISON of New York, Mr. PEASE, Mr. RICHMOND, Mr. ROSENTHAL, Mrs. SCHROEDER, Mr. SEIBERLING, Mr. STARK, Mr. WAXMAN, Mr. WEISS, and Mr. CHARLES WILSON of Texas):

H.J. Res. 285. Joint resolution providing that competition is reaffirmed as the best means of serving American consumers' telecommunications needs; to the Committee on Interstate and Foreign Commerce.

By Mr. ADDABBO:

H. Con. Res. 128. Concurrent resolution expressing the sense of the Congress that the President should convene immediately a meeting of the heads of all appropriate Federal departments and agencies for the purpose of taking such steps as may be necessary to prevent Arab discrimination against American business enterprises which have Jewish individuals serving in positions of major responsibility or which do business with Israel; to the Committee on International Relations.

By Mr. BADHAM:

H. Con. Res. 129. Concurrent resolution recommending that there be no rebate of 1976 individual income taxes; to the Committee on Ways and Means.

By Mr. WHITEHURST:

H. Con. Res. 130. Concurrent resolution pertaining to the methods used on animals in research; to the Committee on Science and Technology.

By Mr. BROOKS:

H. Res. 328. Resolution to provide for the expenses of investigations, studies, oversight, and functions to be conducted by the Committee on Government Operations; to the Committee on House Administration.

By Mr. DIGGS:

H. Res. 329. Resolution providing funds for the Committee on the District of Columbia; to the Committee on House Administration.

By Mr. FRENZEL (for himself, Mr. DEVINE, Mrs. FENWICK, Mr. WINN, Mr. WHITEHURST, Mr. REGULA, Mr. CONABLE, Mr. YOUNG of Florida, Mr. WALKER, and Mr. ABDNOR):

H. Res. 330. Resolution to amend the Rules of the House of Representatives, and for other purposes; divided and referred as follows: Title I, section 301, titles IV, V, and VI to the Committee on Rules; title II and section 303 to the Committee on Standards of

Official Conduct; and section 302 to the Committee on House Administration.

By Mr. HAMILTON (for himself, Mr. OBEY, Mr. D'AMOURS, Mr. MEEDS, Mr. FRASER, Mr. NEDZI, Mr. MOAKLEY, Mr. PUQUA, Mr. THONE, Mr. MAZZOLI, Mr. FORD of Michigan, Mr. BELENSON, Mr. RINALDO, Mr. MCHUGH, Mr. BRODHEAD, Mr. FASCELL, Mr. ROE, Mr. PRITCHARD, Mr. SEIBERLING, Mr. CORNELL, Mr. RANGEL, Mr. FISHER, Mr. SCHROEDER, Mr. WIRTH, and Mr. CHARLES H. WILSON of California):

H. Res. 331. Resolution to amend the Rules of the House of Representatives, and for other purposes; divided and referred as follows: Title I, section 301, and titles IV, V, VI, and VII to the Committee on Rules for a period ending not later than February 25, 1977; title II and section 303 to the Committee on Standards of Official Conduct for a period ending not later than February 23, 1977; and section 302 to the Committee on House Administration for a period ending not later than February 23, 1977.

By Mr. HAMILTON (for himself, Mr. OBEY, Mr. D'AMOURS, Mr. MEEDS, Mr. TRAXLER, Mr. HOLLAND, Mr. RYAN, Ms. LLOYD of Tennessee, Mr. HUBBARD, Mr. NIX, Mr. BLOUIN, Mr. KREBS, Mr. KOCH, Mr. AKAKA, Mr. BENJAMIN, Mr. PEASE, Mr. MITCHELL of Maryland, Mr. STUDDS, Mr. NEAL, Mr. DICKS, Mr. YOUNG of Missouri, Mr. FARY, Mr. VENTO, Mr. WEAVER, Mr. EVANS of Georgia, Mr. GLICKMAN, and Mr. KOSTMAYER):

H. Res. 332. Resolution to amend the Rules of the House of Representatives, and for other purposes; divided and referred as follows: Title I, section 301, and titles IV, V, VI, and VII to the Committee on Rules for a period ending not later than February 25, 1977; title II and section 303 to the Committee on Standards of Official Conduct for a period ending not later than February 23, 1977; and section 302 to the Committee on House Administration for a period ending not later than February 23, 1977.

By Mr. MOSS:

H. Res. 333. Resolution providing for continuation of the appointment of a special counsel to represent the House and the Committee on Interstate and Foreign Commerce in certain judicial proceedings; to the Committee on House Administration.

H. Res. 334. Resolution providing for the continuation of the appointment of a special counsel to represent the House and the

Committee on Interstate and Foreign Commerce in certain judicial proceedings; to the Committee on House Administration.

By Mr. PIKE (for himself, Mr. DELUMS, Mr. MURPHY of Illinois, Mr. LEHMAN, and Mr. JOHNSON of Colorado):

H. Res. 335. Resolution to establish a standing committee of the House on intelligence, and for other purposes; to the Committee on Rules.

By Mr. WAGGONER:

H. Res. 336. Resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on International Relations.

## MEMORIALS

Under clause 4 of rule XXII,

20. The SPEAKER presented a memorial of the Legislature of the Trust Territory of the Pacific Islands, relative to the Angaur phosphate claims; to the Committee on Interior and Insular Affairs.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. EVANS of Delaware:

H.R. 4107. A bill for the relief of the Knights of Pythias Hall Co. of Wilmington, Del.; to the Committee on the Judiciary.

By Mr. McFALL:

H.R. 4108. A bill for the relief of William Phillips; to the Committee on Interior and Insular Affairs.

By Mr. MOORE:

H.R. 4109. A bill for the relief of Albert Cheuk-Kei Tsang; to the Committee on the Judiciary.

By Mr. PATTERSON of California:

H.R. 4110. A bill for the relief of Mr. Duk Pung Koh and Mrs. Bong Nyu Koh; to the Committee on the Judiciary.

By Mr. UDALL:

H.R. 4111. A bill for the relief of Ernest L. Green; to the Committee on the Judiciary.

By Mr. ZABLOCKI:

H.R. 4112. A bill for the relief of Angel Medico Borisosky and Guillermina Herrera de Medico; to the Committee on the Judiciary.

## EXTENSIONS OF REMARKS

### RHODESIA'S FIX

### HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, February 24, 1977

Mr. HARRY F. BYRD, JR. Mr. President, the issue of morality has become a very recent evident concern in our foreign policy deliberations in recent months. In our relations with the Soviet Union, Chile, and other countries, the United States has sought to highlight moral concerns. More recently our attention has been turned to the African continent and much has been said about the need to strongly support the concept of "black majority rule" and to strongly oppose "racism," "colonialism" and "exploitation."

These terms are hard to resist, both emotionally and politically. Yet, I question if our current policies in southern Africa will actually lead to the moral goals espoused. I recently rediscovered an article from the Roanoke Times by James J. Kilpatrick which addresses this issue and I would like to share it with my colleagues. I ask unanimous consent that the text of this article be printed in the Extensions of Remarks.

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

[From Roanoke Times, April 26, 1976]

HYPOCRISY PREVAILS—RHODESIA'S FIX

(By James J. Kilpatrick)

The Rhodesian situation seems to be slimmer uncertainly these days, just keeping warm on the back of the stove. Before it heats up again, a few observations are in order. What we are witnessing is a nice

joining of the New Morality and the Old Hypocrisy.

The New Morality wraps itself in lovely flags: democracy majority rule, one man-one vote. The New Morality rejects all the old ugly vices: racism, colonialism, exploitation. For the past 10 years, since Rhodesia declared her independence of Great Britain, apostles of the New Morality have been preaching all these things.

We heard the preachments as to Angola and Mozambique, where the Portuguese boot was thought to trample on native rights. We hear cries incessantly as to South West Africa. Freedom! Democracy! Nationhood!

Such allurements, as Secretary Kissinger knows well, are politically irresistible. The propagandists of the New Morality have done their work surpassingly well. Mr. Kissinger could not lift a finger in support of the governments of either Rhodesia or South Africa. The least friendly gesture toward Salisbury or Pretoria would set the liberal wolf pack to howling. The United States cannot afford to be identified with the "op-