

WOMENS ARMY CORPS

To be colonel

Gannon, Frances C., xxx-xx-xxxx
 Grimes, Mary J., xxx-xx-xxxx
 Heinze, Shirley R., xxx-xx-xxxx
 Hopfenspirger, N., xxx-xx-xxxx
 Smith, Elizabeth R., xxx-xx-xxxx

VETERINARY CORPS

To be colonel

Baker, Roger F., xxx-xx-xxxx
 Eckermann, Edgar E., xxx-xx-xxxx
 Fowler, James L., xxx-xx-xxxx

ARMY MEDICAL SPECIALIST CORPS

To be colonel

Barr, Virginia M., xxx-xx-xxxx
 Hammill, Janet A., xxx-xx-xxxx

DENTAL CORP

To be colonel

Adams, John C., xxx-xx-xxxx
 Bleicher, Philip A., xxx-xx-xxxx
 Brown, Allen W., xxx-xx-xxxx
 Clifford, Arthur G., xxx-xx-xxxx
 Cote, Robert R., xxx-xx-xxxx
 Gasior, Edwin J., xxx-xx-xxxx
 Holt, John E., xxx-xx-xxxx
 Jacobson, Sheldon E., xxx-xx-xxxx
 Jacoway, John R., xxx-xx-xxxx
 Maddox, Belman C., xxx-xx-xxxx
 Nichols, Wharton A., xxx-xx-xxxx
 Obermeyer, Bernard, xxx-xx-xxxx
 Peppe, Isadore O., xxx-xx-xxxx
 Radentz, William H., xxx-xx-xxxx
 Valkavich, Eugene S., xxx-xx-xxxx
 Vinall, William H., xxx-xx-xxxx
 Wagner, Allyn G., xxx-xx-xxxx

MEDICAL CORPS

To be colonel

Arbiter, David, xxx-xx-xxxx
 Augerson, William S., xxx-xx-xxxx
 Bensen, Jack O., xxx-xx-xxxx
 Bruager, Archie M., xxx-xx-xxxx
 Conklin, Harvey B., xxx-xx-xxxx
 Cutting, Robert T., xxx-xx-xxxx
 Decastro, Carlos M., xxx-xx-xxxx
 Dirks, Kenneth R., xxx-xx-xxxx
 Freeman, Mahlon V., xxx-xx-xxxx
 Gauld, John R., xxx-xx-xxxx
 George, Richard E., xxx-xx-xxxx
 Green, David C., xxx-xx-xxxx
 Hefner, James D., xxx-xx-xxxx
 Lau, Bennett M., xxx-xx-xxxx
 Nelson, Harold S., xxx-xx-xxxx
 Otterson, Warren N., xxx-xx-xxxx
 Parsons, Robert W., xxx-xx-xxxx
 Plunkett, Guy D., xxx-xx-xxxx
 Schane, William P., xxx-xx-xxxx
 Stanek, Robert G., xxx-xx-xxxx
 Stromberg, LaWayne, xxx-xx-xxxx
 Tilton, Donald H., xxx-xx-xxxx
 Vazquez, Angel M., xxx-xx-xxxx
 Waugh, David E., xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be colonel

Angel, Charles R., xxx-xx-xxxx
 Arnold, John W., xxx-xx-xxxx
 Becknell, George P., xxx-xx-xxxx
 Carmick, Edward J., xxx-xx-xxxx
 Funk, John C., xxx-xx-xxxx
 Hall, Ellis F., xxx-xx-xxxx
 Hamm, Charles R., xxx-xx-xxxx
 Henley, Stephen, xxx-xx-xxxx
 Kneessy, Alfred D., xxx-xx-xxxx
 Lask, Alphonse F., xxx-xx-xxxx
 Leven, Fred J., xxx-xx-xxxx
 Marshall, John D., xxx-xx-xxxx
 McDonald, Neil J., xxx-xx-xxxx
 McSwain, Earl C., xxx-xx-xxxx
 Patch, Charles E., xxx-xx-xxxx
 Peterson, Merrill C., xxx-xx-xxxx
 Rogers, John E., xxx-xx-xxxx
 Wilson, Kenneth R., xxx-xx-xxxx

ARMY NURSE CORPS

To be colonel

Brantly, Ruth S., xxx-xx-xxxx
 Costello, Barbara R., xxx-xx-xxxx
 Fritz, Mildred C., xxx-xx-xxxx
 Hill, Nellie M., xxx-xx-xxxx
 McLean, Mary F., xxx-xx-xxxx
 Nuttall, Edith M., xxx-xx-xxxx
 Parks, Madelyn N., xxx-xx-xxxx
 Wengenmair, Norma A., xxx-xx-xxxx

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, 3284 and 3299:

To be major

Calhoun, William R., xxx-xx-xxxx
 Campbell, David B., xxx-xx-xxxx
 Davis, Myron D., xxx-xx-xxxx
 Fellers, Donald P., xxx-xx-xxxx
 Foster, Edward S., xxx-xx-xxxx
 Gooden, William J., xxx-xx-xxxx
 Haselgrove, Leighton O., xxx-xx-xxxx
 Kelly, Gerald L., xxx-xx-xxxx
 Neves, Eugene E., xxx-xx-xxxx
 Newman, William F., xxx-xx-xxxx
 Nicholson, Thomas L., xxx-xx-xxxx
 Ollie, Louis W., xxx-xx-xxxx
 Piper, Paul K., xxx-xx-xxxx
 Price, James W., xxx-xx-xxxx
 Riggs, Clyde Jr., xxx-xx-xxxx
 Sabino, Anthony F., xxx-xx-xxxx
 Saiki, Owen H., xxx-xx-xxxx
 Sinkler, Paul F., xxx-xx-xxxx
 Smith, Randolph L., xxx-xx-xxxx
 Stevens, Jackson C., xxx-xx-xxxx
 Wolf, Thomas R., xxx-xx-xxxx

CHAPLAIN CORPS

To be major

Gardai, Lavern W., xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be major

Johnson, Michael L., xxx-xx-xxxx

To be captain

Baxendale, John R., xxx-xx-xxxx
 Bolz, Farrell P., xxx-xx-xxxx
 Borgen, Mack W., xxx-xx-xxxx
 Brownback, Peter E., xxx-xx-xxxx
 Campbell, Larry J., xxx-xx-xxxx
 Carter, Victor S., xxx-xx-xxxx
 Chwalibog, Andrew J., xxx-xx-xxxx
 Donnelly, Terrence, xxx-xx-xxxx
 Dooley, Joseph M., xxx-xx-xxxx
 Englehardt, Joseph P., xxx-xx-xxxx
 Feighney, Michael L., xxx-xx-xxxx
 Fess, Kenneth E., xxx-xx-xxxx
 Fichtner, James M., xxx-xx-xxxx
 Finlayson, Robert M., xxx-xx-xxxx
 Foster, Michael V., xxx-xx-xxxx
 Godwin, Fitzhugh L., xxx-xx-xxxx
 Grace, John P., xxx-xx-xxxx
 Gregg, Robert E., xxx-xx-xxxx
 Hagan, William R., xxx-xx-xxxx
 Hagewood, Eugene G., xxx-xx-xxxx
 Hamilton, John R., xxx-xx-xxxx
 Hill, Roger D., xxx-xx-xxxx
 Hopkins, Frank E., xxx-xx-xxxx
 Hopkins, Gary L., xxx-xx-xxxx
 Horbaly, Jan., xxx-xx-xxxx
 Huffman, Walter B., xxx-xx-xxxx
 Kain, Harold R., xxx-xx-xxxx
 Kirby, Robert B., xxx-xx-xxxx
 Kittel, Robert N., xxx-xx-xxxx
 Knight, Sammy S., xxx-xx-xxxx
 LaGrade, Michael J., xxx-xx-xxxx
 Lancaster, Steven F., xxx-xx-xxxx
 Lane, Thomas C., xxx-xx-xxxx
 Lewis, Robert E., xxx-xx-xxxx
 Lieteau, James N., xxx-xx-xxxx
 Limbaugh, Daniel B., xxx-xx-xxxx
 Mackey, Richard J., xxx-xx-xxxx
 Meires, William D., xxx-xx-xxxx
 Meyer, John J., III, xxx-xx-xxxx
 Miller, Ralph I., xxx-xx-xxxx
 Mueller, Patrick A., xxx-xx-xxxx
 Northrop, John K., xxx-xx-xxxx
 Page, Stevenson W., xxx-xx-xxxx
 Pine, Louis F., xxx-xx-xxxx
 Polley, James D., xxx-xx-xxxx
 Ruppert, Raymond C., xxx-xx-xxxx
 Schwender, Craig S., xxx-xx-xxxx
 Searle, Paul M., xxx-xx-xxxx
 Smith, Brian K., xxx-xx-xxxx
 Sommers, Lawrence E., xxx-xx-xxxx
 Taylor, Vaughan E., xxx-xx-xxxx
 Taylor, William S., xxx-xx-xxxx
 Thompson, Jeffrey B., xxx-xx-xxxx
 Tobin, Edward J., Jr., xxx-xx-xxxx
 Vickery, Arnold A., xxx-xx-xxxx
 Walczak, Alexander M., xxx-xx-xxxx
 Waple, Mark L., xxx-xx-xxxx
 Whatley, Charles J., xxx-xx-xxxx
 Wilson, Johnnie E., xxx-xx-xxxx
 Willson, Michael P., xxx-xx-xxxx
 Wzorek, Lawrence E., xxx-xx-xxxx
 Yustas, Vincent P., xxx-xx-xxxx

EXTENSIONS OF REMARKS

UKRAINIAN INDEPENDENCE DAY: A
TIME FOR REFLECTION

HON. PAUL S. SARBANES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. SARBANES. Mr. Speaker, two score and 18 years ago the brave Ukrainian people issued their declaration of independence which, though short lived, reverberates through the corridors of history as another fervent gesture of the yearnings of a people to be free. In

this our Bicentennial Year it is fitting that we pay homage to the Ukrainians and to all peoples who have sacrificed in the quest for liberty.

The millions of Ukrainian people who died for the right to decide their own destiny, and those who endure today without freedom, are very much in our minds and in our hearts as we observe the 58th anniversary of Ukrainian Independence Day. For the Ukrainian revolution sought as its overriding objective a free and independent state of the Ukrainian people, just as the American Revolution sought freedom for the Thirteen Colonies.

Today the steadfast Ukrainian people still seek their freedom and we are deeply aware of the magnitude of their deprivation. We are also deeply aware of the outstanding contribution which the Ukrainian immigrants have made to America's economic and cultural development. As a citizen the Ukrainian immigrant stood out not only by his hard work and intelligence but also by his honesty and sense of justice. Ukrainian Americans have contributed to the material and cultural development of America through the scientific knowledge and artistic talents of their many gifted individuals and by introducing into the

American cultural pattern the basic values of their native land.

We in Maryland are very fortunate to have a large and active Ukrainian-American community; a community which through its cultural, social, and religious activities has greatly enriched the life of our State. More important, however, is the contribution which Ukrainian Americans make every day through their stable family life, their commitment to their church, and their sense of individual and community responsibility. I have had the great honor of working closely with the Ukrainian-American community and know firsthand of its dedication to a strong and just America. Maryland and our Nation are greatly strengthened by the contributions which Ukrainian Americans have made to our society.

As we look back upon the rich and diverse contributions of the Ukrainian people we are seized with a sense of pride in their accomplishments and also with a deep sense of concern for those who remain behind, subject to a government which denies basic freedoms. It is therefore, essential for us, as citizens of a great nation founded on the conviction that every individual has the right to life, liberty, and the pursuit of happiness, to speak out on behalf of those Ukrainians whose life in a totalitarian state makes it difficult for them to speak out for themselves.

MOTHER NATURE AND CONGRESS TEAM TO CREATE SURPLUS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. FINDLEY. Mr. Speaker, the following article from the Wall Street Journal is an important addition to the dialog on the dairy price support issue. Supply and demand—not the Congress—should determine the amount of milk produced in this country. Greener pastures and increased corn production will stimulate Bessie and provide an adequate supply of milk for the consumer. The article suggests, as I have contended, that an increase in the price support will result in a troublesome surplus of product. But the extra production will not cause a reduction in price to consumers. Price supports will keep consumer prices up and require a costly government subsidy for surplus production.

The article follows:

[From the Wall Street Journal, Jan. 23, 1976]
COSTLY U.S. MILK SURPLUS IS POSSIBLE IF
NATURE, LAWMAKERS BOTH PREVAIL
(By Norman H. Fischer)

Mother Nature is moving in the direction of lower prices for milk, butter and cheese, but Congress has passed a bill that could raise prices eventually. If both nature and Congress prevail, the U.S. might wind up with an expensive milk surplus.

Nature's role is twofold. First, last year's big corn crop and the forthcoming lush spring pastures have lowered the cost of feeding cows. Partly because of lower feed costs, gross profitability for dairy farmers is the highest in nearly four years, which is encouraging farmers to spur production.

Second, cows' reproductive cycles normally slow and quicken the flow of milk; output usually hits its annual low point in November and reaches its high in May or early June. Milk output rose 25% from November 1974 to May 1975, and a similar increase is expected this year.

Because of these factors milk production in the first half of 1976 could be up 1% or more from the year-earlier period, says James J. Miller, a government dairy specialist. That would amount to nearly 600 million pounds of milk—equal to more than one quart for every person in the U.S.

That's good news for consumers, who watched butter and cheese prices shoot up to record levels last month (they've since declined a bit) and who still are paying record prices for fluid milk. One expert thinks the increased milk flow could result in a retail price decline of five cents to 10 cents a gallon by the second quarter. Butter and cheese prices could decline as much as 10 cents a pound from current levels by spring.

But these declines could be limited by a bill that is awaiting action by President Ford. It is a bill that would increase the federal support price for milk; one dairy economist calculates the increase would be about 50 cents a hundredweight, raising the support to around \$8.20. The price support for cheese could be raised about five cents a pound, he figures.

Farmers currently receive more than \$10 a hundredweight for their milk, and wholesale prices of butter and cheese are still well above the higher price supports indicated in the bill. But if it became law, the bill would put a higher floor under these prices, which in turn could cushion any future price weakness.

The Agriculture Department estimates the bill could raise consumer dairy-product costs as much as \$1.4 billion over its two-year life. Dairy cooperatives respond that consumers would have to pay even higher prices if something isn't done to expand and maintain milk output.

"It cannot be charged that this legislation will increase consumer prices unless one is willing to tell farmers that milk prices will be sharply reduced in the months ahead," the National Milk Producers Federation says.

Terry Francel, agricultural economist at the Federal Reserve Bank of Chicago, says the question is whether the higher price supports in the bill would significantly distort supply-demand signals between producers and consumers. The bill would lead to increased milk production, it is agreed, but if the higher prices accelerate the long-term trend of decreasing per-capita milk consumption, a costly surplus of dairy products would result, Mr. Francel says.

GIFTED ST. PAUL GIRL 1976 "MISS AMERICAN TEEN-AGER"

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. KARTH. Mr. Speaker, St. Paul and, indeed, the entire State of Minne-

sota are proud of Miss Cindy Lee, 17, of St. Paul, who was chosen Miss American Teen-Ager in the recent Miss American Teen-Ager Pageant held at Miami Beach, Fla.

We are proud of Miss Lee because she won her coveted prize from among 250,000 contestants not merely on the basis of pulchritude but because of her personality, outstanding scholastic record, numerous academic activities, and participation in diversified community and civic programs.

Miss Lee, to cite first things first, has achieved a B-plus scholastic average at Johnson Senior High School in St. Paul where she is completing her senior year. She is now making plans to attend college.

That Miss Lee has diversified and well-rounded interests and activities is proved by the fact that she is a winner of four Presidential Physical Fitness Awards and is a member of the girls' track team and cheerleading squad. In addition to being a member of the student council and senior class council, she is also active with the drama group and serves on the yearbook staff. She is a national teen-crusader of the American Cancer Society and works with organizations helping the ill and underprivileged. With all this, she still holds down a part-time job as cashier in a local supermarket and is a member of the Retail Clerks International Union AFL-CIO.

Miss Lee's talents and versatility will be displayed on a TV network show, part of the "Happy Day" series, on January 27. She has appeared on the cover of two national magazines and is given laudatory attention by the current newsletter of the President's Council on Physical Fitness and Sports.

Our pride in Miss Lee is increased by the fact that she is the first Minnesotan to win the Miss Teen-Ager competition. I believe her father may be known to Members of this House who are baseball fans. He is Eugene "Mickey" Lee, the former Los Angeles and Brooklyn Dodger pitcher.

I am sure that Members of the House will join me in wishing Miss Cindy Lee the greatest possible success both in her college education and in whatever subsequent career she selects.

We are confident that Miss Lee will carry her present honors and future successes with dignity and with credit not only to St. Paul but to Minnesota and the country.

LETTER FROM HEW SECRETARY OPPOSING H.R. 8069

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. RHODES. Mr. Speaker, tomorrow afternoon, Tuesday, January 27, the House is scheduled to vote on the Presi-

dent's veto of H.R. 8069, the Labor-HEW appropriation for fiscal year 1976. For the benefit of my colleagues, I am inserting the text of a letter I received from HEW Secretary Mathews indicating his opposition to the bill.

Secretary Mathews also indicates his support for the Michel compromise. I have also been assured by the White House that the Michel proposal is acceptable to the President. I urge all my colleagues to consider this matter carefully, to sustain the veto, and support the Michel compromise.

The letter follows:

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., January 22, 1976.

HON. JOHN J. RHODES,
House of Representatives,
Washington, D.C.

DEAR MR. RHODES: I wanted personally to add my voice to those who are counseling the Congress to sustain the President's veto of H.R. 8069, the 1976 appropriations for the Departments of Labor and Health, Education, and Welfare. I was one of those with whom the President consulted, and I recommended that the bill be vetoed.

No one should interpret this advice to represent a lack of concern for the health and welfare programs of the Federal Government or for the recipients of our funds and services. I vigorously support the objectives toward which those programs are directed, and I intend to continue my efforts to see that these objectives are met.

However, H.R. 8069 would appropriate nearly \$1 billion more in spending authority than the President requested, and it would significantly increase the Federal deficit in both FY 1976 and 1977.

It is my view that unless we do a better job in holding down Federal spending, the impact of that spending on this Department's beneficiaries would do greater harm than the benefits that would accrue from the Congressional add-ons to the budget.

For example, we are already asking for more than \$1.6 billion for NIH research. The bill would add more than \$400 million to that. I do not suggest that these research programs are in any sense unworthy, but we believe the level of funding requested in the President's budget is adequate and appropriate in light of competing demands for scarce Federal dollars. Throughout our budget, I think the same thing can be said. The President has asked for a sufficient level of funding to maintain a strong and viable Federal base for health and welfare.

I, therefore, urge the Congress to give the President its support and sustain his efforts to hold down Federal spending.

We will be glad to work with the Congress in an effort to develop a new bill directed toward these ends.

Cordially,

DAVID MATHEWS,
Secretary.

A DISTINGUISHED PUBLIC SERV-
ANT—VICTOR W. SAUER

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. MILLER of California. Mr. Speaker, I know that all the Members of the

House of Representatives will join me in saluting the distinguished public career of one of my constituents, Mr. Victor W. Sauer. I am proud to count this respected local official among my close friends.

Mr. Sauer is retiring as public works director of Contra Costa County, Calif., after a career in local government which has spanned some 40 years.

Following his graduation from the University of California at Berkeley in 1935, Mr. Sauer worked for the city of Oakland and participated in the construction of the Caldecott Tunnel. During World War II he supervised engineering projects in New Guinea and was discharged as a major.

After the war he returned to the city of Oakland, later moving to Contra Costa County where he was appointed the county's first road commissioner in 1952. In 1955, he was named the county's first public works director.

Under his able leadership the public works department expanded its scope to include such areas of responsibility as transportation planning and environmental control. During the course of his career, Mr. Sauer has served on over 30 statewide committees dealing with social and engineering issues, chairing several of them. But his contributions have not been limited to service within California. He has participated also on national committees of such organizations as the National Association of County Engineers and the American Society for Civil Engineers.

Mr. Sauer's numerous achievements have earned him citations and awards from several prestigious organizations. In 1964, he was selected one of the top 10 public works men of the year by the American Public Works Association and Kiwanis International after an international screening process. He also has been appointed to the board of trustees of the Public Works Historical Society.

All Members of this body can appreciate, I believe, Mr. Sauer's long dedication to high quality public service. His long and distinguished public career will serve as a standard to which all others engaged in government can aspire.

ADDITIONAL SPONSORS OF EMER-
GENCY FINANCIAL ASSISTANCE
CORPORATION ACT

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mrs. SULLIVAN. Mr. Speaker, I have today reintroduced with additional cosponsors the legislation I first introduced on October 30, 1975, to establish a Federal loan agency patterned on the old Reconstruction Finance Corporation. The proposed agency, the Emergency Financial Assistance Corporation, would be authorized to extend long term credit at

reasonable interest rates to State and local governments and to business and industry when these borrowers could not obtain loans at acceptable terms from any other source.

Congress has provided massive assistance to rescue New York City, but many other local governments throughout the country are being squeezed out of a tight municipal bond market and are having difficulty raising funds for necessary purposes. H.R. 10452 was introduced to provide a time-tested Federal framework for meeting the priority credit needs of our governmental bodies and the economy generally. For 30 years, from the Hoover to the Truman administrations, the RFC played a major role in pulling our economy out of the Great Depression and in financing much of the industrial mobilization requirements of World War II.

And the RFC, I might add, ended in the black.

Mr. Speaker, the new bill introduced today is cosponsored by Representatives HUGHES, OTTINGER, FLORIO, EILBERG, FASCELL, RICHMOND, DELLUMS, DANIELS of New Jersey, and GILMAN. They join the cosponsors of H.R. 10452 in support of this approach to solving our credit crisis: Representatives PATMAN, MILLS, MADDEN, PRICE, BARRETT, BOLLING, BURKE of Massachusetts, RANDALL, PEPPER, MINISH, ANNUNZIO, MEEDS, BIAGGI, MURPHY of Illinois, NIX, and ZEFERETTI.

Mr. Speaker, if additional Members wish to sponsor this legislation, they should call my office on extension 52673.

THE NATURAL GAS SWINDLE

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. HARRINGTON. Mr. Speaker, in an article in the January 24 issue of The Nation, Robert Sherrill enumerates the countless illegal and quasi-legal steps taken by natural gas producers and industrialists, with the willing collaboration of Members of the Congress and the national media, to convince the American public by fair means or foul that deregulation of natural gas prices is not just extremely desirable for gas companies but is actually in the interests of all Americans. Sherrill illustrates how, when a policy of restrained force proved unsuccessful in convincing the skeptical public of the truth of this giant lie, the industry quickly moved on to a policy of outright blackmail.

Then last December, House Speaker CARL ALBERT and the Rules Committee made their own not insignificant contributions to the deception scheme, taking unprecedented and highly questionable action blatantly in favor of advocates of decontrol who are rallying to gain passage of legislation now being considered in the Subcommittee on Energy and Power. With a quick sleight of

hand, the Congress and the Nation has been placed in the greedy hands of the oil and gas industry on an issue whose complexity has discouraged many from seriously scrutinizing the clever, even subtle, propaganda being disseminated by the industry, the administration, and now Members of the Congress.

I am submitting for publication in today's RECORD Mr. Sherrill's important article, "The Natural Gas Swindle," at this critical time when the House is soon to face the issue of deregulation on the floor. A thorough understanding of the lie being perpetrated, and of the manner in which House rules have been subverted to push the cause of deregulation, is vital if we hope to protect ourselves and the public from the massive and self-serving power of the industry behind all this.

The text of the article follows:

THE NATURAL GAS SWINDLE
(By Robert Sherrill)

WASHINGTON.—It looks as if the 40 million households and 3 million business establishments that consume natural gas will wind up betrayed by just about everyone in Washington—by the Ford administration, by the Federal Power Commission, by most members of Congress, including such velvet liberals as Sen. John Tunney of California, and by the press.

If the oil and gas lobby can get over one last hurdle—the House of Representatives, where Speaker Carl Albert is now clearing the way for the industry—then natural gas is destined to be deregulated. The House vote is expected soon, now that members have returned. If deregulation occurs, experts say it will take an extra \$7 billion to \$11 billion out of consumers' pockets the first year. Within five years, the expected additional cost to consumers from deregulation could be as high as \$30 billion a year.

Indeed, deregulation will affect everyone, not just those who heat and cook with natural gas, for it is also used as fertilizer, for irrigation, and for crop drying; this will be written into all food costs. Most clothing today is woven of synthetic fibers, which are made from natural gas, as are many plastics, paper products and detergents. Deregulation will pump inflation into all these products. President Ford and the Democratic Congress have been claiming great generosity for giving the public a \$10-billion tax cut this year. If they now let natural gas prices rise as high as a noncompetitive market will bear, the blessings of tax cuts will be wiped out immediately.

For twenty-one years the industry has sought to free interstate gas sales from the regulation of the Federal Power Commission (FPC), but not until 1975 did it work up an efficient scheme to bring this about. The strategy is worth reviewing because it shows once again the power of the big lie.

During most of the years that natural gas has been regulated, supply was obviously far greater than demand and the petroleum industry could hardly argue that the FPC was preventing it from enjoying free-market profits. In fact, for most of those years the petroleum industry was lucky if it could give away all the natural gas it produced. It voluntarily held prices low in order to lure more customers. To get rid of its surplus natural gas, the oil men teated this sideline commodity like a supermarket "loss leader." Heavy industries that could waste natural gas in impressive volume were given especially low prices.

But by the mid-1960s the market for nat-

ural gas had grown to the point that the oilmen knew they could demand, and get, much higher prices if the FPC would allow them. But that was pre-Nixon, in an era when government officials took the law a little more seriously. And the Natural Gas Act, under which the FPC operated, clearly stated that pricing could not be done according to free-market principles of supply and demand, but only according to the cost of production plus a reasonable profit.

So in the late 1960s the industry began pretending that the law was unfair because the known reserves of natural gas were dropping fast and unless prices were allowed to rise enough to restrict its use, the nation would soon run out of the stuff. Since 1968 the oil companies have been claiming that they were finding less natural gas than America was using; they argued that only if the Natural Gas Act were junked and gas prices were deregulated completely would industry feel that it was worthwhile to look for more.

Many expert observers believed the oil and gas men were lying about the supply situation, but there was no way to prove it because industry refused to show anyone its production records. The Federal Trade Commission (FTC) subpoenaed natural gas supply data from eleven companies—Continental, Gulf, Union, Exxon, Mobil, Pennzoil, Shell, Standard of California, Standard of Indiana, Superior and Texaco—but seven of the companies refused to produce the information and took their case to court, where legal complications will doubtless protect them from disclosure for several years.

Nevertheless, although the FTC staff had only the incomplete and hedgy data divulged by four of the companies (Continental, Gulf, Union and Pennzoil) to work with, it concluded that "The American Gas Association [the trade organization for the producers] reserve-reporting procedures are tantamount to collusive price rigging."

On June 10, last year, the FTC staff urged the Justice Department to sue the AGA and eleven major oil companies for consistently underreporting the nation's natural gas reserves. But, as usual, the Justice Department immediately came down with a case of paralysis.

On June 13, Rep. John Moss, chairman of the Interstate Commerce Committee's Oversight and Investigations Subcommittee, brought forward evidence that some industry witnesses had been obstructing his committee's attempts to uncover the truth about natural gas supplies and had committed perjury. The Justice Department allowed as now he was possibly right, but still it took no action.

Despite these developing scandals and despite the fact that FPC Chairman John N. Nassikas acknowledged "gross deficiencies" in the gas supply data that industry had submitted to his agency, the FPC regularly capitulated to the natural gas industry's demands and allowed prices to rise. Between 1972 and 1974 the FPC permitted prices for new natural gas to go up 100 percent—with no reference to the law's restrictions.

But before getting down to the details of the FPC's malfeasance and nonfeasance, a word about the Interior Department's collusion with the oil industry. As Joseph C. Swidler (former chairman of the Federal Power Commission) pointed out recently, "under present laws the federal government cannot force a faster pace of exploration and development on private or state-owned lands. The same is not true, however, for federal leases. It is something of a mystery why these federal leases do not contain provisions requiring prompt and systematic exploration in the manner common

to oil and gas concessions in other countries."

He's absolutely right. You won't find an Arab country giving an oil company a lease that it can just sit on, without production. The U.S. Government is more generous with its land. In its entire twenty-one-year history of leasing federal lands offshore, the Interior Department has yet to cancel a lease for the failure of an oil company to develop the tract during the five-year contract period. Today, more than 52 percent of the federal leases in the Gulf of Mexico, or a total of 838,000 acres, are shut in—the companies are waiting for higher prices. Meanwhile, on the basis of the shortage created by their own actions, the companies demand higher prices to encourage them to "look" for gas that they have already found.

And now back to the FPC, which all during the post-Nixon years has happily based its rate-making decisions on false and perjurious evidence from industry, and consistently violated federal law in order to help the natural gas corporations gouge the consumer.

In 1971 Jack Anderson reported seeing documents from the FPC's files that proved the producers had greatly underestimated the amount of natural gas available from the Louisiana fields (which, along with the Texas and Oklahoma fields, hold most of the nation's natural gas). He accused Chairman Nassikas of suppressing this information, and Nassikas did not rebut the charge. In 1973 Sen. Philip Hart, who said he thought the claimed shortage of gas "might be a hoax," disclosed that FPC officials had ordered underlings to tear up and burn documents that would have thrown significant light on the matter. (They weren't burned because the incinerator was out of order.)

For four years the FPC knew that the major natural gas producers were failing to deliver gas to their pipeline customers in the quantities they had contracted for—but the FPC did nothing about it. The FPC was aware, according to Senator Hart, that in some instances producers' books showed that they had 1,000 times more natural gas available than they reported to the government—but the agency did nothing about it. The FPC was also aware that the AGA had understated reserves in the Gulf of Mexico by 54 per cent—but again the FPC did nothing. The FPC allowed this kind of misconduct despite the fact that the Natural Gas Act empowers it to get injunctions to stop industry violations. But as Congressman Moss has pointed out, "To our knowledge, the FPC has never applied for such an injunction in the more than twenty years that it has had the power to do so."

The malfeasance of the FPC reached even more destructive plateaus in its setting of prices. Bear in mind that the very existence of the FPC is justified by Congress's intent to save the public from being exploited by the petroleum industry. The Natural Gas Act of 1938 clearly instructs the FPC to set the lowest reasonable rates and to establish a permanent and effective bulwark against excessive corporate greed.

The most important part of this bulwark was then, and remains today, the Congressional mandate (supported repeatedly by rulings of circuit courts and of the Supreme Court) that the FPC must establish prices according to the cost of exploration, production and transportation. That is not to say that the FPC was to be stingy with producers: it was instructed to take into consideration all costs, including the cost of drilling dry holes, and then on top of that to give the companies a reasonable return on their equity investment—which has usually been in the neighborhood of 15 per cent or higher.

This mandate to the FPC, both by Congress

and the courts, is well understood by commission officials. Last summer Chairman Nassikas acknowledged in testimony before Moss's subcommittee that "the Natural Gas Act of 1938 does not empower us to go higher than cost-based prices. Now, sure, the courts talk about noncost factors and the courts have a very sophisticated way of expressing that we can consider other commodities and the supply-eliciting effect, but when it gets down to each time the commission attempts to depart in any way from an energy model, or a cost model not directly based on cost, we get reversed. That is the reason we cannot allow commodity value, we cannot set prices on the basis of economic factors. . . . We are not empowered to deregulate, we cannot set prices except on cost-based factors and this is what I intend to do as long as I am chairman of this commission."

That was grossly inaccurate testimony. Throughout his term as chairman, Nassikas, with the wholehearted support of other commission members, found ways to side-step the cost-plus regulation. Many times they permitted gas producers to sell their commodity on an "emergency" basis, or "public interest" basis, lasting six months and longer, at rates as high as the market would bear. These were sometimes five times higher than the normal rate. Usually the FPC made no attempt even to pretend that the rate was based on the cost of production. Almost always the courts would slap the FPC down for such actions, but as Sen. James Abourezk, one of the few consistently pro-consumer members of the Senate, once said, "No sooner is one high-priced commission program set aside by the courts than the commission cooks up a new, higher priced program." This routine was very clever, for as long as the illegal FPC directives were being fought over in court, the companies could charge the higher prices and, when they eventually lost, they did not have to reimburse the consumer.

The General Accounting Office investigated the FPC in the fall of 1974 and uncovered some of its illegalities, including those mentioned above. It found that between 1970 and 1973 the FPC had found ways to let the gas companies reap an extra and unjustified \$3.3 billion. The GAO also discovered one of the reasons why the FPC was so cozy with industry—nineteen key officials at FPC owned stock they were not permitted to own in petroleum companies.

After observing that kind of government-industry collusion for several years, informed segments of the American public were understandably dubious about all claims of a natural gas shortage and of the need for higher prices to relieve it. Skepticism was so deep that mere public relations programs—of the sort that have become commonplace: full-page ads in *The New York Times*, *The Washington Post* and other national journals, defending the petroleum industry—no longer were having much impact.

So the industry got tough. In the fall of 1974 it began to close the natural gas valve. No longer did it rely on threats; now it was actually lessening the supply. If the public wouldn't accept higher prices happily and if Congress wouldn't consider total deregulation of prices, then industry was ready for a slowdown.

Typical of the action at the time was Transcontinental Gas Pipe Line Corporation's brutal squeeze play on the East Coast. Transco is a major interstate pipeline system that purchases, transports and sells natural gas to distributors in eleven states from the Gulf Coast to New York. It serves the residential needs of some 25 million people and of industries employing more than 1.25 million workers.

Many of Transco's customers literally depended on it for economic life. They became desperate when, in September 1974, Transco announced that during the winter months it would curtail deliveries by 20 per cent. They became hysterical the next month when Transco notified its customers of an additional system-wide curtailment of 33 per cent. In southern New Jersey, for one example, unemployment was already hovering around 14 per cent—double the national average—and these curtailments promised to wipe out 25,000 jobs at eighteen factories in that area. At Danville, Va., the curtailments threatened to idle 9,800 people out of a population of 47,000.

New Jersey Rep. William Hughes observed that "one of the great mysteries" was why Transco, the sole supplier of natural gas to Hughes's district, had to cut down on delivery even while sitting on 2.23 trillion cubic feet of available natural gas. But irony no longer had an effect on the producers, nor were they much bothered when Congressman Moss disclosed what seemed to be calculated efforts to keep some of the crucial wells out of commission and "under repairs" during the winter months. No longer did the producers seem to mind a reputation for crookedness; what they wanted was more money, and never mind the public's opinion.

After the frightening experiences of the winter of 1974-75, the people who depended on natural gas for their jobs became panicky when the industry announced in the summer of 1975 that prospects for the coming winter were worse than ever. The panic was compounded in August when the Federal Energy Administration issued a report which predicted that the coming winter would see curtailments 45 per cent greater than in the previous winter. It predicted a shortage equal to about 15 per cent of demand, and since by law the household consumer must be served before the industrial customer this meant that many industries would be hit doubly hard and many thousands of people would be out of a job.

At that point, pressure on Congress became tremendous. Just about every member seemed willing to capitulate to industry's blackmail; the only dispute was over whether gas prices should be freed from regulation partially and temporarily, or whether they should be freed permanently.

The Senate moved faster than the House. With men like Sens. Russell Long and John Tunney leading the way, it passed a bill deregulating prices permanently. The House lumbered along at its customarily slower pace, and by the time Chairman Harley Staggers's Interstate Commerce Committee was ready, in December, to vote on a piece of emergency legislation, the emergency had begun to disappear. Whereas the Federal Energy Administration had once warned dolefully that at least fourteen states would be short of gas, now it was conceding that no more than three states might experience a slight pinch. Mild weather—if not the government—had sided with the people, and gas supplies were, in fact, in surplus. The economic slowdown had also helped the energy supply. In August, President Ford had told Governors along the East Coast that 1.3 trillion cubic feet of the 9 trillion cubic feet needed in their states would not be available; in December the White House acknowledged that "the shortage has not materialized"—partly because producers were selling gas they hadn't told anybody they had.

Consequently, Chairman Staggers and other members of his committee, recognizing that the issue of natural gas pricing was enormously complex and controversial, decided to put off any consideration of a long-term solution to the problem and sim-

ply whip out some commonsense remedy to get the nation through this winter and perhaps next. It was also obvious, as Staggers told one reporter, that plenty of gas was available—for a price. So the problem was not an actual shortage of gas; it was how to meet the producer-hijacker's demands at a level sufficiently high to dissuade them from destroying the country—but to make the payoff on a temporary basis.

On December 2, Staggers's committee voted out just such a bill: it provided emergency methods for, allowing job-stricken areas to buy gas at partly decontrolled prices. But it was a short-term bill. Staggers wrote to House Speaker Albert, an Oklahoman who has always been friendly to the oil and gas industry, asking that the bill be placed on the "suspension" calendar on December 15 or 16. A bill placed on the suspension-of-the-rules calendar can be voted only up or down; it cannot be amended. Staggers wanted it that way because, if the bill were amendable, the oil and gas industry, through their many friendly members, would obviously have a chance to amend it to death. The industry wanted the Senate's total deregulation bill, not Staggers's temporary deregulation bill. Albert refused Staggers' request, ordering him to go instead through the Rules Committee and get the standard ruling to bring the bill to the floor. This would have meant his bill could be amended, so Staggers refused.

At that point, the Rules Committee—which is run by men whom Albert appoints—took two drastic and highly unusual steps, both of them serious breaches of House protocol. In the first place, the existing rules of the Rules Committee provided that no bill would be taken up that late in the session, or even be considered by the Rules Committee, unless it was submitted by the chairman of the jurisdictional committee (in this case, Staggers) as an emergency matter. Staggers not only refused to submit the bill as an emergency; he refused to submit it at all through the Rules Committee. Nevertheless, the Rules Committee went ahead and scheduled the legislation for floor action on instructions from Albert.

In the second place, it is standard procedure for the chairman of the subcommittee where the legislation originated to handle a bill on the floor. In this case, that would mean Rep. John Dingell, who is opposed to total deregulation. The Rules Committee ignored this tradition and adopted instead a rule with an extraordinary provision authorizing Speaker Albert to recognize any member of the committee—even a member who wanted to kill the bill—to bring the bill up for debate.

And as a final insult, the Rules Committee allotted two-thirds of the debate time to advocates of *decontrol*. Thus the Rules Committee has made sure that when this issue reaches the floor the oil lobby's spokesmen will be in a dominant position to destroy the committee's short-term legislation with an amendment to make decontrol of natural gas prices a permanent load on consumers' backs.

Rep. Bob Eckhardt, chairman of the Democratic Study Group and a member of the Interstate Commerce Committee, was an inside spectator of this debacle. Although representing a district in Houston where petroleum is the big industry, Eckhardt has been one of the most stalwart opponents of decontrol. Albert's betrayal of the committee's work was, says Eckhardt, a rare performance of bad faith in an institution that holds tradition to be sacred.

"Members are usually very courteous to each other," he says, "and committees are punctilious in their interrelations. When customs of restraint and deference are

flouted in so cavalier a fashion, one seeks an explanation."

Eckhardt's own explanation is that Albert's betrayal was merely the last act in "the stratagem of the oil and gas lobby"—a stratagem that moved expertly through several stages: from the panic raised by the industry and by the Ford administration with false warnings of a natural gas shortage this winter, to a hurried manipulation of the Senate into passing a total decontrol bill, to the perversion of the House's rules. When many billions of dollars are at stake, the oil lobby is willing to neglect some of the niceties.

The only possible hope for defeat of the lobby's stratagem would come from a massive outpouring of angry opposition from the people who are going to be gouged. It may sound old-fashioned, but letters from constituents still do carry great weight around Congress. Unfortunately, it is probably much too late to get the public stirred up. When the topic is something as complicated as petroleum prices, the education program has to be spread over a long period and the press has to give it a great deal of space.

For the most part the press has been silent about the natural gas robbery, or has given it the most cursory attention. Eckhardt tried to get *The Washington Star* to write something about Albert's misuse of the House rules, but the *Star's* management turned him down. Over at *The Washington Post* things were even worse: the paper has for years sided with industry in favor of higher prices. The *Post* reached a new low in editorial ethics a few months ago when it acknowledged that the FPC was breaking the law—the *Post* called it "an elegant evasion of the regulatory principle"—but then cheered the agency on to do more lawless acts with the observation, "But since the principle is a bum one and is creating serious trouble for industry in this part of the country, the evasion is useful and welcome." As for *The New York Times*, there is some question as to whether anyone on its staff knows how to spell natural gas. In this fight—as in most consumer fights—the public is strictly on its own.

911 HOT LINE FOR EMERGENCIES

HON. J. EDWARD ROUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. ROUSH. Mr. Speaker, for many years now I have been an active supporter of the "911" single, emergency number. Increasingly this simple, three-digit number is being adopted throughout the United States. The figures for last year are not as yet available, but at least 33,000,000 Americans now have "911". Invariably when the number is adopted newspaper articles attest to its value through the comments of local citizens. I would like to include at this time a short article from the South Bend Tribune which is published in South Bend, Ind., not far from my own congressional district in Indiana. South Bend just adopted "911" last year:

CALLED 911

A tragedy hit my house last week. My baby tripped on a cord and was badly burned by hot grease. For the first time I used South Bend's emergency number—911. I'm only writing to thank everyone involved.

They were very calm and gave me instructions as to how to treat her until an ambulance arrived. They never got off of the phone for a minute until she was ready to go to the hospital. I don't think people realize what a wonderful thing those three little numbers can do.

Mrs. JOSEPH JUD.
South Bend, Ind.

FORD'S TOUGH APPROACH TO CRIME MERITS SUPPORT

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. CARTER. Mr. Speaker, while we in the Congress attempt to deal with the many sources of concern to our citizens, there is an insidious area of concern toward which we should be devoting greater effort. That area is crime, and fear of crime, which seriously impinges on the quality of life for our citizens.

With the most recent FBI statistics chronicling a 20-percent rise in the incidence of crime in our rural areas alone, this is a matter that increasingly effects more of our people, especially our elder citizens who feel most threatened by, and vulnerable to lawless persons in a society so different from the one in which they were reared.

President Ford dealt with the problem of crime in his state of the Union message last week. While much focus has been brought to some portions of that address, a greater spotlight should be put on his proposals as they relate to crime and how to combat it.

In the January 24 edition of the *Washington Star*, columnist James Kilpatrick discussed the President's comments on crime control and the need for mandatory sentences. I believe his remarks bear close scrutiny, and I enclose for the Record a copy of Mr. Kilpatrick's column:

FORD'S TOUGH APPROACH TO CRIME MERITS SUPPORT

(By James J. Kilpatrick)

In his State of the Union message last Monday, the President devoted only a few paragraphs to the unyielding problem of crime in the United States. Understandably, because other parts of the speech had more pizzazz, his comments on crime claimed little notice. They merit your thought.

Ford hammered anew at the same hard themes he developed last summer in a special message on crime. Congress made little response in its first session. If the ideal of domestic tranquility is to be taken seriously, Congress owes it to the people to make some response now.

Here and there, it is true, the situation improves, but the improvement is only here and there, and it is a poor kind of improvement: the rate of increase declines. That is the best that can be said. Otherwise the picture is bleak.

The most recent figures we have are for 1974, and these admittedly are incomplete. From one third to one half of all serious crime never is reported to the police or to the FBI. The figures long ago ceased to shock—we are numb to crime statistics—but they cry out for legislative action.

Serious crime in 1974 was 18 per cent greater than in 1973. The stunning increase was from 8.6 million such crimes in 1973 to 10.2 million in 1974. The increase was bad enough in major cities—up 12 per cent—but the increase in suburbs and rural areas was still worse: up 20 per cent. The pattern is sickening. Since 1969, the number of persons under 18 arrested for crime has grown by 16 per cent. Ten per cent of those arrested in 1974 for violent crime were female, and a fourth of these were girls of 17 or younger.

Enough. Our country is plagued by crime, infested with crime, and in some neighborhoods terrorized by crime. The problem is overwhelmingly a problem for the states and localities to deal with, but they have dealt with it poorly. Ford's recommendations necessarily deal with federal offenses and federal law enforcement, but his tough approach should provide a model for all jurisdictions.

The President starts with the grim truth that most crime goes unpunished. Fewer than half the crimes of violence, and only 18 per cent of the crimes against property, are cleared by arrest. Those who are arrested seldom are tried or convicted on the charges originally brought against them; those found guilty seldom stay behind bars for long. At every point there is a watering down: plea bargaining, probation, early parole, suspended sentences.

The machinery of justice simply is inadequate to cope with the volume of crime. Ford recommends more judges, more prosecutors, more marshals. He proposes four new federal prisons. On Monday he returned to the concept of mandatory prison sentences for certain offenses. This is an idea whose time most surely has come.

Specifically, the President asked mandatory sentences in federal cases involving the use of a gun. He urges a punishment that could not be bargained away in some cozy little meeting among the defendant's lawyer, the prosecutor and the judge. He wants mandatory sentences for dealers in hard drugs. Where these criminals are concerned, Ford would take off the kid gloves. Lock 'em up! His aim is to get the repeaters off the streets, and to keep them off the streets.

The merits of sheer incarceration seldom are sufficiently acclaimed. Most serious crime is the work of criminals who have been around the track once or twice before. They are cold-blooded professionals, and they are virtually beyond redemption. In all but a tiny fraction of such cases, efforts at rehabilitation are a waste of time and money. Law-abiding people have a right to demand that these vicious misfits be put away until time turns them into old men.

The Ford program, extended to the states, would require major outlays to expand the machinery of justice. State legislators, pressed from every quarter, may be reluctant to provide the courtrooms, judges, prosecutors and new prisons that will be needed if the incidence of crime is to be effectively reduced. But the President's approach is basically sound. It ought to be pursued.

URGING RETENTION OF J. EDGAR HOOVER'S NAME ON FBI BUILDING IN WASHINGTON, D.C.

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. MAZZOLI. Mr. Speaker, the Louisville Chapter of the Society of Former

FBI Agents passed the following resolution urging the retention of the late J. Edgar Hoover's name on the new FBI building in Washington.

I would like to bring this resolution—adopted by the men and women who served under the directorship of Mr. Hoover—to the attention of my colleagues.

The resolution is as follows:

The membership of the Louisville Chapter of the Society of Former Agents of the Federal Bureau of Investigation officially go on record as supporting the retention of the name of the honorable J. Edgar Hoover, former director of the FBI, as the official name of the new headquarters of this great organization.

Further, this local chapter recommends that a similar resolution be circulated for approval by the several other local chapters comprising the entire society of former agents of the Federal Bureau of Investigation.

No human is perfect. Mr. Hoover's performance as head of the FBI, in retrospect, could have been bettered.

But, once we require that structures can only be named after the faultless, we could name not a single new building—and all structures would have to be "rededicated."

In naming the FBI building after Mr. Hoover, we honor his good and loyal service. We do not honor, thereby, his mistakes and excesses.

I think the building should not be renamed.

SOUTH KOREAN OFFICIALS EXPRESS OPTIMISM ON ECONOMY ALTHOUGH PROBLEMS PERSIST

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. KETCHUM. Mr. Speaker, at this time I would like to share with my colleagues an article which recently appeared in the Wall Street Journal. As one who was privileged to view Korea's economic growth firsthand, I find this statement both interesting and timely.

The article follows:

[From the Wall Street Journal, Dec. 16, 1975]

SOUTH KOREAN OFFICIALS EXPRESS OPTIMISM ON ECONOMY, ALTHOUGH PROBLEMS PERSIST

(By Norman Pearlstine)

SEOUL, SOUTH KOREA.—Most of the world's nations that don't produce oil would just as soon forget about 1975. But South Korea's economic planners—having weathered a rocky start—are viewing the year as a qualified success.

This resource-poor, developing nation is about to report substantial increases in exports and gross national product. Nam Duck Woo, deputy prime minister and head of South Korea's economic planning board, says that exports will grow by more than 10% this year and that real GNP will increase by almost 8%. One foreign economist with direct access to internal government working figures is even more optimistic. He thinks the real GNP will rise by 10%, giving South Korea one of the highest growth rates in the world.

South Korea has had to pay a price, however, for its strong economic performance. And while the present trends are encouraging, the future is still clouded by some nagging problems. The government achieved economic growth, but it didn't curb inflation. Wholesale prices, which rose about 45% in 1974, will rise another 20% this year.

There is also the question of South Korea's long-term external debt, which is expected to rise to \$5.83 billion by the end of this year, up 34% from the end of 1974. The increased borrowing was to help South Korea pay for the higher cost of imported oil and to help finance its ambitious growth plans.

A CHANGING PICTURE

South Korea has indicated it expects foreign borrowings to continue to increase sharply through the decade as its economy continues to expand. The government, along with many foreign bankers who visit Seoul frequently or who are based here, says that it is managing its debt well and that it should remain a good credit risk in the future. But some bank executive in New York, already awash in red ink from U.S. corporate and real-estate loans, have been questioning the wisdom of advancing big new loans to South Korea or any other high-debt developing nation. These bankers were further jolted by two adverse reports on Korea in the past few weeks.

Nonetheless, the general economic picture in South Korea today contrasts sharply with the image earlier in the year. For the government's planners, April was the cruellest month. The recession was dragging on longer than anyone had anticipated, and no one seemed to know when the economy would begin its revival.

In an effort to stimulate the economy, the government had relaxed its credit controls last December. The relaxation prompted a flood of imported raw materials but did nothing to spur exports to the biggest purchasers of South Korean manufactured goods—Japan and the U.S.

Statistics for the first quarter of 1975 showed the trade deficit running at an annual level of \$2.88 billion, or about 50% wider than the record \$1.94 billion deficit for 1974. Other economic indicators were equally depressing. Foreign-exchange holdings, which are one gauge of a country's ability to service its external debt, were falling, and industrial production, which had risen briefly in March, was again stagnant.

STRONG ACTION AND GOOD LUCK

Moreover, indications that North Korea—hoping to duplicate the Communist takeover in Indochina—was considering an invasion added a measure of political instability to the uncertain economic climate. In such an atmosphere, the foreign bankers, who had just completed a syndicated \$200 million balance-of-payments loan to South Korea, were unwilling to advance additional funds on a long-term basis. As a result, South Korea had to increase its short-term borrowings and rely more heavily on public lending facilities, such as the World Bank and the International Monetary Fund.

But strong government action and some good luck helped turn the economy around. "South Korea can move very quickly once it decides to change its economic policy," an admiring banker here says. "And they decided to move during the spring."

Political tensions calmed after the U.S. renewed its commitment to defend South Korea from attack and after North Korean President Kim Il-sung returned from a trip to Peking without a public promise of Chinese support for a "war of liberation" against the South.

At the same time, South Korea reestablished strict import controls. And, finally,

manufacturers' exports began to increase under severe prodding from the government. South Korea reported a small trade surplus in May—its first since the end of 1973. Small surpluses have continued most months since then. The recent 10% price increase for oil from the Organization of Petroleum Exporting Countries was more than offset by a record rice crop, which enabled the South Koreans to eliminate most rice imports. There will still be a substantial trade deficit for the year, but government officials now say it won't exceed \$1.4 billion.

As a result, planners say South Korea's current balance-of-payments deficit for 1975 will be below \$1.7 billion. While still high, that is well under last year's deficit of \$2 billion and significantly below the \$2.5 billion deficit that some foreign economists were projecting only a few months ago.

REDUCING SHORT-TERM DEBT

South Korea has also been reducing its short-term debts in the past few months and increasing its foreign-exchange holdings. During the first six months of this year, short-term debt rose by \$843 million, or almost as much as it rose in all 1974. But Mr. Nam, the deputy prime minister, now predicts that the increase for the year will be \$621 million, far narrower than last year's \$960 million gain. At the same time, Mr. Nam says foreign-exchange holdings will be a record \$1.5 billion, almost 50% above year-earlier levels.

Commenting on the economic prospects for next year, Mr. Nam says he sees GNP rising another 8% in real terms. He says next year's increase would be even higher "except we have to moderate growth" to help curb inflation. Mr. Nam says he thinks that wholesale-price increases can be kept to "around 10%" next year and says he hopes reduced inflation will prompt an increase in domestic savings.

The Korean official declined to forecast exports for next year, but other government officials are privately predicting increases of 20% to 30%. Those predictions assume that the U.S. and Japanese economies will perform much better in 1976 than they did in 1975 and that South Korean textiles, which were largely responsible for the recent surge in exports, will continue to sell well abroad.

RENEWED BANKER INTEREST

Reflecting the turnaround in South Korea's economy, some foreign bankers are beginning to show renewed interest in financing some of the country's planned industrial projects. "Our reading is that banker confidence is on the rise," one Western-embassy official says. "All the mice smell cheese and are coming out of their holes."

A group of U.S. banks now is discussing a \$100 million syndication to finance South Korean construction activities in the Mideast. And Kim Woun Gie, governor of the state-controlled Korea Development Bank, adds that "foreign bankers now are approaching us on several other loans for projects in South Korea."

Nonetheless, many bank executives remain cautious about South Korea and are easily frazzled by adverse reports about South Korea. For example, the top management of several New York banks ordered thorough reviews of their loan commitments to South Korea last month after The New York Times carried a story about the sharp increase in South Korea's debt.

The pace of international telephone calls and Teletype messages between branch offices here and home offices abroad picked up again last week after the private, Washington-based Institute for International Policy published a study saying that South Korea is headed for default on its debts abroad and for economic chaos at home.

TALKING WITH BANKERS

South Korean government officials are convinced that the report is based on false assumptions and that it won't be taken seriously by the banking community. Nonetheless, several South Korean government officials took time to meet with more than 50 international bankers in New York last Wednesday to explain their balance-of-payments position and to try to refute the report.

Mr. Nam says South Korea can deal with the concern in New York. He says the country doesn't need "any additional balance-of-payments financing from banks at this time," in part because he thinks South Korea can get additional financing from public lending facilities. And while he concedes it may be "understandable that people are concerned about us," he suggests that concern would vanish if South Korea's present economic situation were better understood. He says, for example, that many persons don't realize that South Korea's revenues from exports have been growing about as fast as its long-term debt, thus providing sufficient funds to meet the debt obligations.

"Everybody knows the non-oil-producing countries are having balance-of-payments problems," he says. "That's not new. The real issue now is that we have managed our debt, and we have gotten through the oil crisis."

Philip Sherman, head of First National City Bank's Seoul branch, agrees with much of Mr. Nam's analysis. "There is always some vulnerability when a nation has high debt, but the debt can also be a sign of dynamism. Korea's debt is related to development and it is making good use of the funds brought in," he says. "In that respect, the situation is somewhat similar to what Japan went through several years ago."

NASA REPORT CITES POTENTIAL OF MHD RESEARCH—TENNESSEE SPACE INSTITUTE IS PIONEERING IN THIS RESEARCH

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. EVINS of Tennessee. Mr. Speaker, some of the most important research in this Nation is currently underway at the University of Tennessee Space Institute and the Arnold Engineering Center, both at Tullahoma, Tenn., into a more efficient method of generating electricity by burning coal, called magnetohydrodynamics—MHD.

Certainly we want this research in Tennessee to be continued and accelerated in view of a recent report commissioned by the National Aeronautics and Space Administration which concluded that MHD offers the most potential for successful development and implementation as an alternative source of energy.

A recent article in the Manchester Times concerning the NASA report is placed in the Record herewith, because of the interest of my colleagues and the American people in energy research and development.

The article follows:

[The Manchester Times, Jan. 15, 1976]

MHD BEST OF 10 ENERGY ALTERNATIVES, NASA FINDINGS SHOW STUDIED AT UT-SI, AEC

Magnetohydrodynamics (MHD)—an alternative way for generating electric power being investigated at the University of Tennessee Space Institute and Arnold Center—is the best bet for the future, a recent government energy study shows.

The study, which covered 10 proposed alternative ways for generating power in the future, was commissioned by the National Aeronautics and Space Administration and was done by the General Electric Co. and Westinghouse Corp.

The MHD process on which the Space Institute has been working for a decade has decidedly the best showing on cost of producing electricity in term of both construction and operating expenses, the report shows.

"The results of this study are quite important," said Dr. John B. Dicks, head of energy conversion studies at UT-SI. "It is going to make an impact on the U.S. Energy Research and Development Administration as to what programs get funded and what don't."

Dr. Dicks says he has learned that the 1976-77 fiscal year budget will seek \$36 million for MHD research programs nationwide, nearly a three-fold increase over the \$13 million which were budgeted for the current fiscal year.

But he says it apparently will take another strong fight to get a meaningful share of the funds for Tennessee because he has been told that Montana interests will try to get it all.

Sen. Mike Mansfield of Montana, the Senate majority leader, has been instrumental in getting a big share of Federal MHD money for colleges and universities in his state, which is also a big coal producer.

One of the big attractions of MHD is its potential for getting about 50 percent more electric power production from a ton of coal than present conventional steam plants do. The MHD process also removes sulphur dioxide, which causes air pollution associated with steam plants.

In conventional steam plants—such as Widows Creek in North Alabama or Kingston in East Tennessee—coal is burned to heat water and produce steam, which turns power turbines.

But in MHD, a super-hot, flowing gas produced by coal or some other fuel is channeled through a magnetic field between the poles of a giant magnet and produces electricity directly. Scientists have known for more than a century that power could be generated this way, but only recently have serious attempts been made to do it.

UTSI is the only place in the world using coal for MHD power generation, utilizing a 100-kilowatt generator in its laboratory. It has awarded design and fabrication contracts for a 3000-kilowatt plant it will erect on the UTSI campus with funds from an \$8.1 million contract.

At Arnold Center, an existing MHD generator is being modified for studies also financed by the Federal government.

Arnold's project will use toluene, a solid-propellant fuel with heat properties much like coal, to study techniques for extracting electric power from a hot, flowing gas while the goal at UTSI is to develop longer generator runs utilizing coal.

The recent NASA study done by G.E. and Westinghouse concluded that a power plant using the open-cycle MHD process (in which the hot gas used either is exhausted into the

air or shunted into a regular steam plant) in 1982 would cost about 2.7 cents per kilowatt hour for construction and around seven-tenths of a cent per kilowatt hour for fuel, operation and maintenance.

In other words, the estimated cost expressed in costs of electric power production totals about 3.4 cents for each kilowatt hour. This is considerably higher than the present cost, which ranges from about 25-hundredths of a cent per KWH in the Tennessee Valley Authority region to about half a cent per KWH nationwide.

Dr. Dicks said costs may very well not run this high, but that the researchers obviously have assumed a great escalation in the cost of coal (which has tripled in the past few years) as well as the expense of materials, borrowed money and labor.

But for the other alternatives that were considered, estimated costs go even higher. Generating power with a gas turbine powered by coal gas, for example, is estimated to cost about 4.2 cents per KWH while a combination of a gas turbine with a conventional steam plant comes to about 3.5 cents.

For even more seemingly far-out proposals that have been advanced—such as generating power by MHD in a closed-cycle system that uses a gas in somewhat the same fashion as a heat pump or refrigerator—the cost is on the order of 8.5 cents per KWH.

It's about the same for a proposed system that would use carbon dioxide gas at ultra high pressures in a circulating system or a closed-cycle MHD generator which uses a liquid metal for heating rather than coal.

Also in the high-cost category are some other proposed methods that include fuel cells that combine hydrogen and oxygen to generate direct current (power most commonly used now is alternating current).

The study showed that an MHD plant like the one UTSI is trying to develop would have an overall efficiency of 48 to 54 percent, as compared with a top efficiency of 40 percent for present steam plants.

Dr. Dicks said conventional steam plants usually run at about 36 to 38 percent efficiency and that pollution control equipment cuts it down even more. MHD plants he pointed out, won't need any special pollution-control gadgets.

In its study, Westinghouse estimated that the cost of a one-million-kilowatt MHD plant by 1982 would be \$596,200,000, a figure Dr. Dicks says is about in the ball park with what he and his colleagues estimate.

On the other hand, G.E. concluded the cost would be something over \$1.1 billion, which Dr. Dicks calls "ridiculous." He said that if G.E. had any direct experience with open-cycle MHD devices, it would have come up with a more realistic estimate.

Nuclear power plants, he said, will have an even higher price tag in the years to come, a factor which he expects to make MHD more attractive as the years go by.

911 HOT LINE FOR EMERGENCIES

HON. J. EDWARD ROUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. ROUSH. Mr. Speaker, once again I would like to take up my effort to introduce into the pages of the CONGRESSIONAL RECORD a complete listing by State of the communities which now have the "911" single emergency number, or which plan on adopting the same in the near future.

Systems location	Date In service	Sched- uled	Population served (thous- ands)
American Telephone & Telegraph:			
Louisiana:			
Alexandria	April 1970		110.0
Baton Rouge	September 1970		302.0
Bunkie	January 1972		10.0
Lake Providence	July 1973		13.0
Leesville	December 1974		25.0
Oakdale	March 1973		10.0
Rayne	July 1971		17.0
Ruston	July 1972		44.0
Tululaha	January 1971		14.0
Vidalia	March 1973		10.0
Maine:			
Boothbay Harbor	April 1972		3.1
Camden	October 1969		3.5
Waterville	February 1973		35.0
Maryland:			
Charles County	July 1974		47.0
Montgomery County	October 1974		523.0
Prince Georges County	October 1973		750.0
Independent telephone Company, Maine:			
Hampden	December 1975		4.0

DISCLOSURE OF ASSETS AND TAX RETURNS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. LEHMAN. Mr. Speaker, it has been my practice since my first campaign for Congress in 1972 to make a full disclosure of my assets and tax returns.

I had been advised earlier last year that new formal procedures would be established for making such disclosures. Since these procedures were still not established by the end of the first session, I am now inserting into the RECORD complete financial disclosure information in keeping with my past practice.

The information includes the financial disclosure statement which I filed earlier this year with the State of Florida's Commission on Ethics. The statement includes my complete income tax returns for 1974:

PERSONAL FINANCIAL STATEMENT

(Suggested by Federal Reserve Bank of Atlanta)

Name: Mr. & Mrs. William Lehman, Sr.
To: Southeast First National Bank of Miami.

I make the following statement of all my assets and liabilities as of the 28th day of February, 1975, and other material information for the purpose of obtaining credit with you on notes and bills bearing my signature, endorsement, or guarantee, and agree to notify you promptly of any change affecting my ability to pay.

ASSETS

1. Cash, on hand, and unrestricted in banks, \$13,564.
2. U.S. Government Securities (Guaranteed) U.S. T Notes, \$10,000.
5. Notes Receivable, Not Discounted, \$215,000.
8. Stock and Securities Other Than Guaranteed U.S. Gov't and Gov't Agencies, \$306,489.
9. Real Estate, Registered in own name, \$105,900.
1. Other Assets (Itemize), Israel Bonds, \$1,500.
7. Total assets, \$652,453.

LIABILITIES AND NET WORTH

18. Notes Payable to Banks, Unsecured. Direct borrowings only, \$32,000.

21. Notes Payable to Others, Unsecured, \$225,701.

27. Mortgage Payable on Real Estate, \$52,291.

33. Net worth (From line no. 15) \$342,461.

34. Total liabilities and net worth (Line 21 plus line 33) \$652,453.

SOURCE OF INCOME

Salary, U.S. Congressman, \$42,500.

Dividends, P Stock W. L. Bulck, \$4,200.

PERSONAL INFORMATION

Business or occupation, U.S. Congressman.

Married, X.

Dependent Children, 0.

SUPPLEMENTARY SCHEDULES

No. 1 Banking Relations. (A list of all my bank accounts, including savings, and loans).

Name and Location of Bank:

First National Bank Miami, Cash balance,

\$2,000. Amount of loan, \$32,000.

First State Bank Miami, Cash balance,

\$1,919.

Comm Bank, \$498.

Comm Bank, Sav, \$2,000.

Comm Bank, Sav, \$7,147.

No. 2. Accounts, loans and Notes Receivable. (A list of the largest amounts owing to me.)

Address of Debtor:

William Lehman Leasing Corp., Amount owing, \$50,000. Description of nature of debt, loan.

William Lehman, Jr., Amount owing, \$165,000. Description of nature of debt, Purchase Stock WLB.

No. 3. Life Insurance.

Name of Person Insured: William Lehman.

Name of Beneficiary, Joan Lehman.

Name of Insurance Co., Mass. MUT. & MONY.

Type of Policy, OL.

Face amount of policy, \$205,000.

Total cash surrender value, ?.

Total loans against policy, ?.

Amount of yearly premium, \$6,909.

No. 4. Stocks and Securities Other Than Guaranteed U.S. Government Securities and Government Agencies.

Face value (bonds) No. of shares (stocks),

1050 Prf. Description of Security, William Lehman Buick. Registered in Name of Wm. & Joan Lehman. Present market value, \$105,000. Income received last year, \$4,200.

Face value (bonds) No. of shares (stocks),

225 C. Description of Security, William Lehman Buick. Registered in Name of Wm. & Joan Lehman. Present market value, \$156,350.

Face value (bonds) No. of shares (stocks),

44.5 C. Description of Security, William Lehman Used Car. Registered in Name of Wm. & Joan Lehman. Present market value, \$41,639.

Description of Security, JC Penny & Bromar. Registered in Name of Joan Lehman. Present market value, \$3,500.

No. 5. Real Estate. The legal and equitable title to all the real estate listed in this statement is solely in the name of the undersigned, except as follows:

Description or Street No. 172 Riverwood. Dimensions or acres, Condo Dkylake E. Mortgages or liens, \$44,720. Present market value, \$55,900.

Description or Street No. Duplex, Selma, Ala. Present market value, \$25,000.

Description or Street No. Studio Mem. Hwy. Mortgage or lien, \$7,571. Present market value, \$25,000.

U.S. INDIVIDUAL INCOME TAX RETURN, 1974

KK XXX-XX-XXXX XXX-XX-XXXX D59 3.

William & Joan Lehman.

2269 NE 163rd St.

North Miami Beach, FL, 33162.

County of residence, Dade.

Your social security number, XXX-XX-XXXX

Spouse's social security no. XXX-XX-XXXX

Occupation:

Yours, Congressman.

Spouse's, Self-Employed.

2. Married filing joint return (even if only one had income).

Exemptions: Regular, 2.

7. Total exemptions claimed, 2.

8. Presidential Election Campaign Fund:

Do you wish to designate \$1 of your taxes for this fund? Yes.

If joint return, does your spouse wish to designate \$1? Yes.

INCOME

9. Wages, salaries, tips, and other employee compensation, \$42,500.

10a. Dividends, \$4,964, 10b Less exclusion \$200, Balance, \$4,764.

11. Interest income, \$27,640.

12. Income other than wages, dividends, and interest (from line 38), \$(4,384).

13. Total (add lines 9, 10c, 11, and 12), \$70,520.

14. Adjustments to income (such as "sick pay," moving expenses, etc. from line 43), \$(3,709).

15. Subtract line 14 from line 13 (adjusted gross income), \$66,811.

TAX, PAYMENTS AND CREDITS

16. Tax, check if from: Tax Rate Schedule X, Y, or Z, \$18,321.

18. Income tax (subtract line 17 from line 16), \$18,321.

20. Total (add lines 18 and 19), \$18,321.

21a. Total Federal income tax withheld (attach Forms W-2 or W-2P to front), \$11,060.

22. Total (add lines 21a, b, c, and d), \$11,060.

BALANCE DUE OR REFUND

23. If line 20 is larger than line 22, enter balance due IRS, \$7,261.

PART I. INCOME OTHER THAN WAGES, DIVIDENDS, AND INTEREST

28. Business income or (loss) (attach Schedule C), (\$4,625).

29. Net gain or (loss) from sale or exchange of capital assets (attach Schedule D), (\$1,000).

31. Pensions, annuities, rents, royalties, partnerships, estates or trusts, etc. (attach Schedule E), \$1,241.

38. Total (add lines 28, 29, 30, 31, 32, 33, 34, 35, 36, and 37). Enter here and on line 12, (\$4,384).

PART II. ADJUSTMENTS TO INCOME

41. Employee business expense (attach Form 2106 or statement). Schedule attached, (\$3,709).

43. Total adjustments (add lines 39, 40, 41, and 42). Enter here and on line 14, (\$3,709).

PART III. TAX COMPUTATION

(Do not use this part if you use Tax Tables 1-12 to find your tax.)

44. Adjusted gross income (from line 15), \$66,811.

45. (a) If you itemize deductions, check here and enter total from Schedule A, line 41 and attach Schedule A, \$12,819.

46. Subtract line 45 from line 44, \$53,992.

47. Multiply total number of exemptions claimed on line 7, by \$750, \$1,500.

48. Taxable income. Subtract line 47 from line 46, \$52,492.

COSTLY GOOFS TYPIFY VA HOSPITAL CONSTRUCTION

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. RUSSO. Mr. Speaker, the third part of the Chicago Tribune series on the Veterans Administration, which I am placing in the RECORD in its entirety,

deals with VA hospital construction. I think my colleagues will find it most interesting.

The article follows:

COSTLY GOOFS TYPEIFY VA HOSPITAL CONSTRUCTION

The Veterans Administration wanted to build a hospital in Loma Linda, Cal. It told Congress the project would cost \$46 million.

The final tab to the VA and the taxpayer came to \$64 million—\$18 million more than the agency first said.

Did the VA know how many floors the hospital would have when it asked Congress for the initial authorization? The Tribune asked.

"No," Marvin Spatz, director of the VA Estimating Service, said in an interview.

Did the VA know the shape of the building?

"No."

Did the VA know how many rooms it would have?

"No," was the answer again.

The VA did know how many patients the hospital expected to handle, Spatz explained. Lack of further planning meant that 36,000 square feet of space had to be added to the building's final specifications to make room for all the rooms the hospital was supposed to have, VA records show.

The \$18-million cost overrun at the Loma Linda hospital is just one in a long string of blunders in the VA's planning and construction program, which wastes millions of tax dollars every year.

Here is what The Tribune found out about the VA's spending habits:

Cost overruns on just three hospital projects last year, including Loma Linda, totaled \$68 million. So regularly does the VA seek extra money for its construction projects that Congress soon may require the agency to file special quarterly reports, a Senate committee aide told The Tribune.

The VA awards and develops construction contracts under a method that practically guarantees its outside architect-engineers won't be held responsible for costly mistakes.

The VA spends millions on sophisticated but unneeded medical equipment. One audit by the federal General Accounting Office found that many specially installed surgical units costing as much as \$500,000 each are used so infrequently that doctors don't get enough experience to maintain their proficiency in delicate techniques.

Following an earthquake that destroyed a VA hospital in California five years ago, the VA began a multimillion-dollar series of "earthquake studies" at sites around the country, many of which are virtually earthquake-free.

Recently charged with running the national cemetery system, the VA has embarked on a plan to add millions of new grave sites—at a cost of \$331.6 million—though the agency's own evidence indicates that 93 per cent of America's veterans prefer to be buried in private family plots.

The VA's construction budget of \$400 million a year is one of the largest in the federal government—even before the cost overruns.

In trying to explain the overruns to an angry Sen. William Proxmire (D., Wis.) at Senate Appropriations Committee hearings last year, VA Administrator Richard Roudebush and other officials admitted, "We have not been realistic about inflation."

An overrun on a hospital project in Columbia, S. C., last year, for example, raised the cost from \$21 million to \$41 million—almost double. The VA said it assumed an inflation rate of 3.5 per cent. "As it worked out, inflation is running about 12 per cent a year," said Viggo Miller, head of all VA construction.

Also boosting the cost of the project were changes in the VA's hospital plans made to accommodate a new state medical school in Columbia.

Told of the 95 per cent cost overrun, Proxmire complained:

"It is like building another hospital."

An oversight on a hospital project in the Bronx—not listing parking lots and research areas in the first cost estimates—added \$30 million in the final bill.

VA officials admitted at the hearings that the agency has omitted provisions for certain key facilities when it has given cost estimates to Congress, though it knew these facilities eventually would be included.

"A flat misstatement, a deception of Congress," Proxmire called it. "When we were told that this would complete the hospital in the Bronx and it did not include parking and research facilities . . . when we were told we would pay for the hospital in the Bronx if we spent \$72,644,000 for 1975, that was simply and absolutely a false statement."

Roudebush responded: "I do not think it was done in deception, but it was in error, no question."

What never came out in those hearings, The Tribune learned, is that the VA, unlike other big contracting agencies such as the Defense Department, estimates its construction costs without any detailed working plans and specifications.

"As a rule of thumb," construction chief Miller told The Tribune, the VA goes to Congress for money long before it knows what a hospital will look like. He says its staff of 300 architects and engineers does not have the money to prepare a set of working drawings on which to base probable costs and cost increases.

"We would get a hell of a sight closer," Miller said, if the VA had money for such planning, like the Defense Department. A spokesman at the Pentagon confirmed the department's policy of providing Congress with detailed working drawings when seeking construction money.

Roudebush told The Tribune during an interview, "I have recommended that a planning fund be brought about . . . but we have never been given permission to establish one." He said the request was made to the Office of Management and Budget.

The VA argues that part of the problem at Loma Linda was that the hospital was a rush project intended to replace the San Fernando VA hospital destroyed by an earthquake in 1971. And part of the \$18-million cost increase was the result of new rules passed by Congress that increased the outpatient load for VA hospitals.

But about \$5.6 million of the extra cost was incurred because the outside architect-engineering firm made what Proxmire called an "elementary mistake"—rooms were included that the VA didn't ask for, and some were designed larger or smaller than intended.

Yet when outside designers make mistakes that cost millions, the VA does not go after them, according to the General Accounting Office.

"The cozy relationship between the Veterans Administration and a large number of its architectural-engineering contractors . . . has resulted in the failure of the VA to sue the firms to recover the losses," said Proxmire, who commissioned the GAO study.

The GAO explains that legally, the VA is virtually barred from recovering anything from architect-engineering firms because its own staff works closely with the contractors on every step of the design and execution of a major project.

"We, generally speaking, are implicated with the architect-engineer," Miller said. He said the problem is not unique to just this one government agency.

Because contractors know the VA cannot sue them—the VA says it has won only two suits in recent years—the VA has little protection against shoddy work, Proxmire said.

"We would have to have a blatant incompetent before we could even think of recovering funds," Miller said.

While the VA isn't adequately studying hospitals it plans to put up, the agency is conducting a study of the hospitals already standing—an earthquake study.

VA hospitals at 68 locations from Boise to Buffalo, from Seattle to Salt Lake, are undergoing "seismic evaluations"—at a cost of more than \$3.8 million.

The U.S. Geological Survey (USGS) says no other agency is making such studies, which were begun after the 1971 California earthquake. The VA drew new maps that duplicate existing USGS maps and spent money on elementary "ground motion" studies.

The studies did find some soft spots in the event of earthquakes. They also identified 25 sites that are so stable that no work need be done on hospitals there. These include such historically quake-free cities as Indianapolis, Phoenix, and Wichita.

Even so, the VA is plowing ahead with more studies at the 25 stable sites, the VA told The Tribune.

When The Tribune questioned the VA's James Laffer, director of civil engineering, about the continuation of the studies at the 25 stable sites, he said, "We are not overreacting."

But later, when asked by The Tribune, Administrator Roudebush said the agency indeed may have gone overboard.

Another key area where planning has gone awry, GAO studies reveal, is the installation of special medical facilities.

As open-heart surgery techniques advance the VA began installing special surgery centers for the procedure at many of its hospitals around the country in 1965.

The VA itself and other competent medical opinion say it is essential for open-heart surgery teams of doctors, nurses, and technicians to perform frequent operations in order "to attain and retain the high degree of technical skill that is required for this type of surgery."

The experts recommend that surgical teams perform a minimum of two and preferably four operations a week. One VA center performed only seven operations in 1971, the GAO found, and only five of the 23 VA surgical centers performed operations often enough to meet the VA's less-rigid standard of one operation a week.

The VA frequently subcontracts surgery to other hospitals that have better equipment or staffing for certain procedures.

But the VA is taking on open-heart surgery itself. Despite the infrequent use of the centers already established, the agency doubled its number of open-heart surgery centers to 50. In 1974, only 19 of them were used more than once a week.

Dr. John Chase, the VA's chief medical director, said the agency installs the special medical units to better serve the veteran and to save money. "Traditionally," he said, "we find it is less expensive for us to give treatment in our own hospitals than to give that same treatment on a fee basis."

And he denies there is a lack of planning: "We find from time to time that even our best planning does not work out . . . We may discover while we are doing this kind of planning that another hospital is doing the same thing and for some reason we don't know another hospital is doing it."

Government reports have documented other cases of problems in planning, including:

Kidney transplant centers. The facilities, which cost up to \$500,000 to install, also

must be fully utilized for the surgical teams to remain proficient, medical authorities say. Yet, after three years and \$465,000, the Manhattan VA hospital had performed only two transplants. In one year, only six of the 27 VA centers performed more than the VA minimum of 20 to 25 transplants annually; 18 of the centers performed less than one transplant a month.

Electron microscopes. The VA had planned, over the next two years, to acquire 69 electron microscopes for \$27 million with an annual operating cost of \$1.7 million. Yet the GAO found that the 40 instruments the VA already had were being used only 20 percent of the time. The VA then cut back its request to less than 56. Even so, the GAO said, each of the sophisticated instruments could be expected to look at less than one specimen a day.

In 1973 the Veterans Administration took over from the Army 105 cemeteries of the national system, which range in size from a few dozen acres to more than 200,000 acres. The Army had decided to phase out the system.

Figures from the American Cemetery Association indicate there is no need for more federal cemeteries. Private cemetery space currently available around the country is sufficient to bury the entire U.S. population for the next 140 years, the group says.

And experience has shown that a bare 7 per cent of the veterans eligible use their rights to be buried in a national cemetery, the VA admits. Surveys show that most veterans prefer to be buried in family plots, close to their homes, and often in a religious setting.

Still, the VA is moving ahead with a plan for 10 regional cemeteries, with 3.5 million graves for veterans and their dependents, which will cost \$331.6 million to develop and nearly \$20 million a year to maintain.

The irony is that the VA provides an alternative for the veteran—a \$150 burial payment, an option which, coupled with the Social Security benefit of \$255, is sufficient to cover the cost of a private plot, interment, and perpetual care.

The Tribune has calculated that if the VA encouraged use of the \$150 allotment and adopted a caretaker role over the cemetery system, U.S. taxpayers, including the 29 million living veterans, would be saved \$2.55 billion over the next 50 years.

"I envision more than a series of cemeteries," John Mahan, director of the national cemetery system, said in his "VA Pledge on Cemeteries."

"I believe Congress has pointed the way to development of a network of national shrines embodying the life of our nation over the past 200 years. Each can include visitors or learning centers that will recreate great American moments."

And Mahan is not alone in his vision for the cemetery system. Says Thomas "Pete" Walker, commander of the Veterans of Foreign Wars: "There are a lot of military men who just live to be buried in a national cemetery."

Tomorrow: Avalanche of forms and papers overshadows the VA's real job.

TOM WICKER ENDORSES FULL EMPLOYMENT

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. RANGEL. Mr. Speaker, New York Times columnist Tom Wicker recently

considered what he would demand of a Presidential candidate in 1976. He called for three promises. The first would be exhaustive investigations into the circumstances under which Gerald Ford became President and pardoned Richard Nixon and into the assassination of John F. Kennedy. The second promise would be an end to American covert intelligence operations abroad.

His final promise would be implementation of a full employment program for all our people willing and able to work.

As Tom Wicker wrote—

The third promise would be to undertake to provide the American people with full employment—not 4 or 6 or 7 percent unemployment—but a job for everyone willing and able to work, in private enterprise to the extent possible, in public employment to the extent necessary. This would not be offered as a panacea for all economic ills, but as a positive step to reduce poverty, welfare dependence and possibly street crime, accomplish certain public purposes (for example, the reconstruction of railroad lines), and hold down inflation by increasing both supply and demand.

It is time for action on the Hawkins-Humphrey full employment legislation, H.R. 50.

POLITICAL RECYCLING

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. HARRINGTON. Mr. Speaker, the congressional debate over national economic policy is focusing now on President Ford's state of the Union message and his proposed budget for fiscal year 1977. If we really want to restore some commonsense to the way we set our priorities, however, we will do far better to heed the advice of John Kenneth Galbraith as it appeared in the December 22 issue of New York Magazine. I commend this article to all of my colleagues, and especially to Members of my own party:

[From the New York Magazine, Dec. 22, 1975]

THE CONSERVATIVE-MAJORITY FALLACY

(By John Kenneth Galbraith)

I would like to identify and comment in a scientific way on one of the notable political phenomena of our time. That is the powerful and wonderfully persistent devices by which recurrently we are persuaded that conservatism is the wave of the future. These instruments of persuasion are brought to bear at all times and with much success on the Congress. And once every four years, at about this time in relation to the election, they are directed at the Democratic party and the nation at large.

The purpose is always the same. It is to persuade all susceptible citizens—particularly Democrats, their legislators, and the candidates—that the country has, at long last, moved sharply to the right. Specifically, the object is to persuade them that, politically speaking, there are no poor, no aged, no sick, no black, no other unemployed is a major issue, no one whatever whose health, education, food, shelter, protection from economic abuse or exploitation, or even survival itself depends on the services of govern-

ment. Instead there are in this republic only indignant taxpayers deeply angry about the willful idleness of the unemployed. The only sophisticated policy is their appeasement. The prime enemy of the people is the state, save only as it involves itself in the exigent needs of national defense and bankrupt corporations. The ultimate tendency (and hope) of our politics is to two equally conservative parties competing for the great conservative majority.

We should have a name for this phenomenon; I propose that it be called "The Conservative-Majority Syndrome." In an earlier time it would have been called "The Dayton Housewife Discovery"; that was its last manifestation. That excellent woman, you will recall, was also unblack, unpoor, definitely uninterested in anything as unrefined as women's rights, and, you can be sure, deeply concerned about taxes. I have always thought that both she and Dayton were greatly libeled.

The success of the conservative syndrome depends on four motivating factors, all powerful in our time. The first is the susceptibility of much of our political comment and many of our political commentators and sages to the rediscovery of the wheel. Its special manifestation is the recurrent discovery, offered each time as a breathtaking revelation of only slightly less than scriptural impact, that people of means would rather not pay taxes. This is not combined, unfortunately, with the companion revelation that people of means are indefinitely more articulate than anyone else, their spokesmen and intellectual sycophants alone excluded. So it is not noticed that, by its sheer volume, the voice of the relatively affluent in our land gets mistaken for the voice of the masses. If you are in doubt on this point, recall how many welfare recipients you have heard on the question of the profligacy of New York City. Compare this with the volume of expression emanating from Chase Manhattan, Lazard Frères, and Secretary of the Treasury William Simon. The Westchester County budget, it was announced in mid-November, will rise by 25 per cent in 1976. That, in those mostly pleasant precincts, was the result of changing population structure, inflation, and recession. In New York it would be caused by the idle and the unions. And, of course, John Lindsay and Abe Beame.

The second support to the conservative syndrome is related: it resides in the deep desire of politicians, Democrats in particular, for respectability. All seek to inspire confidence, convey an aspect of sound judgment. And what is the test of sound, confidence-inspiring judgment? It is, broadly, whether speech and action are consistent with the comfort and well-being of the affluent, including, needless to say, the people who lead the great financial institutions and man the large corporations. A radical is anyone who causes discomfort or otherwise offends such interests. Thus, in our politics, we test even liberals by their conservatism. Alfred Marshall, the great founder of neoclassical (and now conservative) economics, once said that there is nothing an economist should so fear as applause. Certainly nothing should be so damaging to a Democrat as an approving editorial in The Wall Street Journal or the most primitive nod from Evans and Novak.

The self-reinforcing character of our conservatism works with particular force in Washington. There some public official to whom Andrew Mellon would seem advanced identifies an action as likely to cause pain to the privileged. He forthrightly communicates his alarm to Messrs. Evans and Novak. These scholars tell of the intended action, note that it is a potential cause for popular indignation, maybe even mass anguish. The original progenitor reads their story and is affirmed in his fears. So are others. It is, I

believe, the only successful closed-circuit system for recycling garbage that has yet been devised.

The third strength of the conservative syndrome lies in the superb tactical position of the Republicans when they are in power—as now. For they can attack government for indifference, callousness, or incompetence and then justify the attack by making it so. This is the history of the last seven years. When Republicans attack government, let us be sure as many as possible know that the government of Richard Nixon or that of Gerald Ford or—let me be nonpartisan—that of George Wallace in Alabama is not our model. Government was not thought callous or indifferent or even incompetent in the days of Roosevelt or, for that matter, Lyndon Johnson.

Let us not, above all, allow anyone to believe that we take the economic management of William Simon and Alan Greenspan—men, as I've often said, who see progress as escape to the eighteenth century—as our model of what intelligent macroeconomic management of the economy can accomplish.

I must add a special note here. Even those, and I am one, who are celebrated for their patience, their kindly tolerance of human frailty, must be discouraged at the reception which the prophets of the respectable view accord the Simon-Greenspan achievement. These statesmen have, we know, only one remedy for inflation. That is unemployment and recession. Having achieved a recession, they are then allowed to attribute the recession to natural cyclical causes, and they are further forgiven for its not preventing the inflation. Had men of similar competence been in charge of the space program, we would now be digging the boys out of the Grand Canyon. And had the same standards of judgment been brought to bear, the failure would have been accepted as a natural manifestation of the law of gravity.

We must never minimize the importance of good public management and administration. This is a dull but important business, one that must always be part of our claim to govern. It has not had the attention from Democrats that it deserves. But let us not join in the currently fashionable tendency to defame either government or those who work for government. The civil service of the United States is as honest, effective, and perhaps even as innovative as that of any other country. It was stubbornly honest people in the Department of Justice, the FBI, the IRS, and elsewhere who frustrated the tax evasion, obstruction of justice, subornation of perjury, and constitutional subversion of Richard Nixon and the less imaginative felonies of Spiro Agnew. Had our public servants not been honest, our case would have been hopeless.

The final buttress to the conservative syndrome is those whom we may perhaps call the liberal-Establishment economists. Here I must proceed tactfully; I am speaking of the work of conscientious and intelligent men, excellent citizens, good friends. But, alas, time, in its ineluctable march, has made them also pillars of the conservative edifice. This is because some inevitably yearn for the Establishment's applause and test their performance by its volume. Alfred Marshall's warning has been forgotten even here. Some inevitably are confined by the institutions they serve. This is a subtle but powerful influence in our time. Most economists serve within an institutional framework; some additionally are sustained visibly and directly by the banks and corporations they assist or advise. Out of this comes a largely innocent and natural desire to avoid embarrassing one's colleagues and institutions by urging policies that are at odds with the respectable

view. And out of the service to corporations comes the rather less innocent desire to protect one's income. Much of what was once called liberal economics has become very conservative in our time.

The conservatism of contemporary economics manifests itself in two major matters, both vital for the Democratic position.

The established economics can, in principle, treat unemployment. It cannot in its accepted form deal with such part of the inflation problem as is caused by the wage/price spiral in the industrial sector of the economy. No one, or not many, doubt the importance of this spiral. Not having a cure for inflation, the accepted economics minimizes it as a problem, asserts that at any given time the real economic need is for more growth, more jobs. The result, so far as this guidance is accepted, is to divide our political life between conservatives who prefer unemployment to inflation but do not say so and liberals who prefer inflation to unemployment but do not say so.

There is no political future for Democrats in such a debate. Unemployment hurts a smaller number of people a lot; inflation hurts a larger number of people a little. We cannot defend either. It is not possible to persuade people—as some economists would—that inflation is an overrated evil. For the person wondering how to stretch limited income or savings over urgent needs, who is in anguish that on the next trip to the supermarket there will not be enough in her pocket, inflation is not an overrated evil. In any case, we must take people's dislikes as they are. We know they dislike inflation.

This leads to the unsurprising conclusion that there must be direct intervention on incomes and prices in the organized sector of the economy. Next time it must be done seriously; it cannot be again, as it was in 1971, for the purpose of getting a Republican president by an election. And you will notice that I use the word *incomes*. We have a labor movement in the United States, which on this issue, is quite possibly more reasonable, modern, and nontheological than any other in the world. It will, as George Meany has reiterated, accept such a policy as long as it is fair and general—as long as it applies equitably to all incomes. It must also keep living costs effectively stable or otherwise protect real wages. Any trade-union leader is right to insist on these conditions. The problem for Democrats is not whether to have such controls; this the circumstances of economic power in the economy have already decided for us. The question is how to meet the required conditions of their equitable application and effective administration. For so long as the established economics ignores the problem of controls, and its counsel is followed, Democrats are left with no viable alternative to the present conservative mismanagement of the economy.

The second support to conservatism from the established economics, a very urgent matter, lies in its formula for expanding the economy, for curing unemployment. In recent years its remedy has become the reduction of federal taxes. It is offered all but automatically whenever the economy is operating at less than full capacity, which of late has been all the time. *This remedy is a liberal and Democratic disaster.* Nothing in recent times has so played into the hands of conservatives.

There was always the danger that tax reduction would be seized upon by conservatives as the excuse for limiting public expenditures—always excluding defense and those in which business has a prime interest. That danger Gerald Ford has now made explicit. He has made acceptance of tax re-

duction conditional on expenditure reduction, promised the requisite vetoes if the spending reduction is not made good. Those of us who had feared this result must be grateful to him for clarifying a difficult point. We should also be grateful to my friend Professor Milton Friedman, a man of great if inconvenient honesty, who also has made the conservative position wonderfully clear. In a *Newsweek* column on October 27, he could not have been more forthright: "I am in favor of a Federal tax cut at all times—as the only way to exert effective pressure on Congress to keep down Federal spending." The reduction in spending inevitably affects the services and support of the poor, for defense and business needs are always exempt. And if it succeeds, it also means—much more than incidentally—that there is no expansive effect at all from the tax reduction. There would be contractive effect, in fact, for the tax savings are not as reliably spent as the proceeds of the outlays so curtailed.

It is federal taxes that are reduced. These, in substantial though not exclusive part, are on middle- and upper-income brackets of the personal income tax and on corporations. This reduction comes at a time when states and cities, in consequence of the recession the tax reduction is to cure, are being forced to raise their taxes, and these invariably are taxes on the poor. While the House Ways and Means Committee was discussing the extension of the cut in income taxes this autumn—now, I agree, inevitable—Secretary Simon, in one of his typically compassionate moods, was urging New York City to raise its sales tax to 10 percent. Highly regressive taxes were raised. And the services of a city already deep in public squalor have been ruthlessly curtailed. In the same week that the committee reported out the tax-cut bill, the Commonwealth of Massachusetts agreed on a tax increase of \$364 million, all of it in relatively regressive taxes, for no others were available. (Two hundred and eighteen million dollars would be from taxes on sales and on meals.) The *Boston Globe*, noting the juxtaposition of these events, said they made no sense. How right. And again there is no economic stimulation in a shift from progressive federal to regressive state and local taxes. If anything, the reverse. There is only joy for the affluent.

We are learning, finally, that federal tax reduction, taken by itself, is an inefficient form of stimulation. In the second quarter of this year there was a big bulge in private savings. Its source was the tax reduction and refunds. People who didn't need the money were not using it. This would not have been the case if the money had gone instead to employ people on useful work, maintain or improve public services, provide help to the large cities, prevent layoffs, ease the burden of state and local welfare costs. That money would have been spent. In buying tax reduction as the magic of the Establishment economists, Democrats have bought a slightly modified version of the Hoover trickle-down doctrine. And the trickle is as unreliable a recovery instrument now as it was then. As I've said, next year's tax policy is over the dam. Thereafter let us spend instead for needed services as a substitute for regressive taxes.

Thus the lesson: liberals can become conservatives, Democrats can become Republicans, we can have not one conservative party but two. We have only to test our policies by the affluent applause, seek respectability before all else, assume that government must be as bad as under Nixon and Ford, and be guided on controls and taxation by the established economics. We are, I venture, well on the way. The only problem is that if Democrats continue on course they will have deserted their natural constituency. They won't be worth electing. Nor will they be

elected. For, as Harry Truman once observed, given the choice between two conservative parties, people will always choose the one that is honestly and deliberately so.

CHILD AND FAMILY SERVICES ACT OF 1975

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. FORD of Tennessee. Mr. Speaker, I rise today to express my concern about the confusion many of the people in my district feel in regard to the Child and Family Services Act of 1975. It has come to my attention that a leaflet is circulating in Memphis, and, as I gather from my distinguished colleagues, in other communities across the Nation. This leaflet contains false information which has misled many people. It claims that the Child and Family Services Act would allow the Government to take over responsibility for childrearing. Those who support the bill know that there is no such provision in it. The Child and Family Services Act would in no way interfere in family life.

As a result of this confusion, I released a statement to the local press in my district which point by point denounces the claims of the leaflet and which also attempts to clarify some of the bill's major provisions. I would like to share this statement with you:

STATEMENT OF CONGRESSMAN HAROLD FORD
THE CHILD AND FAMILY SERVICES ACT OF 1975,
H.R. 2966/S. 626

In recent weeks leaflets have been distributed in Memphis and in other cities around the country which attempt to discredit "The Child and Family Services Act of 1975."

The leaflet purports to cite passages and quotes from the CONGRESSIONAL RECORD in describing the provisions of the bill. These leaflets are totally false and misleading. They bear absolutely no resemblance to this legislation. For example: one leaflet indicates that there is a Child Advocacy Clause in the bill which would allow the government to come into a home and take over the responsibility of a child. There is no such clause in the bill. Indeed, the bill specifically states in Section 504 that "nothing in this Act shall be construed or applied in such a manner as to infringe upon or usurp the moral and legal rights and responsibilities of parents or guardians with respect to the moral, mental, emotional, physical, or other development of their children."

The leaflet also indicates that there is a "Charter of Child's Rights" in the bill which would allow children to disobey their parents. The leaflet cites the CONGRESSIONAL RECORD in listing the child's rights. The Charter of Child's Rights did appear in the CONGRESSIONAL RECORD. On December 2, 1971, the Senate was debating a Conference Report on the Office of Economic Opportunity Act. This Act contained child care provisions. In the course of the debate Senator Carl T. Curtis of Nebraska stated, "In England, child development advocates have gone so far as to draft a Charter of Children's Rights". Curtis continued by reading from something he called "The Charter of Children's Rights" of the "British Advisory Center of Education and the National Council for Civil Liberties".

By misleading citation the leaflet implies that this material appeared in the CONGRESSIONAL RECORD this year and that it represents the contents of the bill. There is no such Charter contained in this bill. I had never even heard of the Charter or this British group until I saw the leaflet and investigated the source of the CONGRESSIONAL RECORD statement.

This legislation is designed to provide the following services:

Proper prenatal care for mothers and health care for children to insure that they are not subject to handicapping conditions that could put them on welfare as adults;

Proper care for the children of working mothers who are desperately trying to stay off welfare;

Food programs to fight malnutrition which so quickly can ruin a child's body and mind.

In every instance, the Child and Family Services Act requires not only the parent's request for any service, but their participation in as many activities as possible.

As with any piece of legislation, this bill has supporters and opponents in the Congress. There is the question of whether the government should spend the amount of money this bill authorizes. There is the question of what services should be offered, and how they can be administered effectively and efficiently. These are the kinds of questions that must be debated and resolved by the Congress and the American people. They are precisely the issues which will be addressed by the Committee on Education and Labor when it considers this legislation.

The debate about this bill or any bill must be based on facts. This legislation provides needed services to help:

The over 200,000 children who are struck each year by handicaps because their mothers had not received early health care;

The 65 percent of all handicapped preschool children who do not receive special services to help them overcome their handicap;

The 40 percent of all young children of this country who are not fully immunized against childhood diseases;

The working mothers of the five million children for which there are no spaces in licensed day care centers (statistics furnished by the U.S. Senate Subcommittee on Children and Youth).

I want the people of Memphis to know the facts about this legislation. The person or persons who have prepared these leaflets—anonously, I might add—are using scare tactics and outright lies in a campaign to deceive the people of Memphis.

There are really two issues here. One is the bill itself, whether or not I should support it based on the facts. The other issue is this smear campaign against the bill.

The first issue I can handle. I am always ready to hear opposing views from my constituents on any piece of legislation. My job is to inform my constituents to the best of my ability, to solicit their views, and to insure that when I cast my vote, it is a vote for Memphis.

The second issue, the distribution of these leaflets, is one that I cannot handle alone. For that reason I want to call upon the members of the press to investigate these leaflets. Take a hard look at these leaflets and compare to it the bill itself. The people of Memphis deserve to know the facts.

Thank you.

After I made this statement, the press did indeed examine the bill against the claims of the leaflet. The following editorial appeared in the Commercial Appeal in Memphis on January 26, 1976:

SMEAR ON CHILD CARE

An anonymous, unfounded campaign is being conducted across the country against a bill that would provide comprehensive day-care services for children. Claiming that the

bill would take away the authority of parents over their own children, the campaign has tried to arouse anger and fear with fabrications and malicious implications contained in a widely circulated unsigned flyer.

The flyer quotes from statements in the Congressional Record, implying both that the opinions expressed are facts and that the information is current. But the quotes seem to have been pieced together from various statements made on Dec. 2, 1971, during a debate on an earlier child-care bill.

For one thing, the Record is a ponderous work of fiction. Although its essential purpose is to report everything that is said and done in congressional sessions, it also includes just about anything the congressmen choose to insert. Speeches, excerpts from books, newspaper stories and editorials and a host of other miscellaneous matter choke the Record like Amazonian undergrowth. The rhetoric is grandiose and occasionally impressive, but any assumption of accuracy or factualness is ridiculous.

The bill in question, which is titled the Child and Family Services Act of 1975, has many reasonable, responsible critics. It has been challenged on grounds of cost, duplication and possible psychological harm to children caused by institutional care and day-long separation from a parent. Supporters argue that the bill would strengthen low-income families by providing the children with the care and experiences they need for normal development and by giving mothers a greater opportunity to raise their families' standards of living through work. The immediate issue, however, is the smear campaign. Until that is thoroughly discredited, it will be difficult for Congress to deal with the merits of the bill. One indication of the highly emotional controversy stirred up by the flyer is the fact that the bill's Senator sponsor, Democrat Walter Mondale of Minnesota, has received about 2,000 letters a week about it.

The flyer states, "The Charter of Children's Rights of the National Council of Civil Liberties is becoming part of the Child Development Act." That's a flat lie, unless the "act" referred to is not the Mondale bill. Such a possibility can't be discounted because of the flyer's deviousness. The national council is a British lobbying group. The flyer continues, "Following are four of the several items proposed in this charter (as taken from the Congressional Record 44138 . . .)" They include assertions that children should be protected from inadequacies in their homes, from religious or political indoctrination (presumably by parents) and from "excessive claims made on them," which the flyer construes as encompassing household chores.

A grim prospect, indeed. But Mondale's office says no such charter or statement of rights has been proposed for the bill, nor would he approve of it. The Record quote comes from the 1971 debate, in which Sen. Carl Curtis (R-Neb.) cited the national council's charter during an attack on what he called the "child development" school of thought. He warned about the possibility of day-care centers becoming "child warehouses" as a "logical extension of that kind of rhetoric." The word "rhetoric" referred grammatically to the charter not the bill.

Curtis did not say that the charter was becoming a part of any Child Development Act. Curtis told The Commercial Appeal that, while he opposes Mondale's bill on grounds of excessive federal regulation, he has not seen the flyer and could not comment on its contents. Other critics of the bill have specifically denounced the flyer. Onalee McGraw of the National Coalition for Children, which argues that the bill's approach to child development favors special-interest education groups, called the smear tactics counterproductive and a barrier to "true debate."

The flyer also attributes to the Record a statement that child advocates appointed by

the government would be able to take over the education of children, "even within the home." In a careful reading of the 1971 debate, we could not find the quote. But there were pages of inserted comment, some of which had nothing to do with the earlier bill itself. Some, for instance, dealt with child-care programs in other countries. Be that as it may, Mondale's office says his bill does not contain the words "child advocate" or propose such a position.

In fact, the bill bans any infringement on the "moral and legal rights and responsibilities of parents or guardians with respect to the moral, mental, emotional, physical or other development of their children." The proposed child-care services would be designed, set up and supervised by local councils, of which half the members would be parents with children in the program. The children would receive only those services that parents requested.

The Child and Family Services Act deserves an open, honest debate. The flyer is an underhanded, spurious attempt to play on the emotions of uninformed parents. It deserves nothing but ridicule. This is one more example of the danger of accepting as fact the material printed in the Congressional Record—material that can even be amended by congressmen if they have second thoughts about what they've said or inserted.

Although this editorial calls into question the credibility of articles appearing in the Record, I would like to note that the statement I have just made is an accurate account of the events which have transpired in regard to this bill.

I sincerely appreciate this opportunity to speak to you today.

CLOSING OF RURAL POST OFFICES BY THE U.S. POSTAL SERVICE

HON. CHARLES WILSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. CHARLES WILSON of Texas. Mr. Speaker, the following article was taken from a recent issue of The Texas Farmer-Stockman and was sent to me by Newton County Judge, Lee Roy Fill-yaw. It expresses perfectly my feelings on the closing of rural post offices by the U.S. Postal Service:

"Down through the years, those of us who work on The Farmer-Stockman have held on to a special kind of neighborly feeling about rural post offices. That plus the fact we also felt the post offices are logical and worthwhile community centers. Rural carriers leave from the back door every morning, tying a collection of folks together as they stop at boxes along the route.

I know ranchers who have met their neighbors in the post office lobby at the same time every morning for the past 40 years. They are careful to allow 15 minutes of each day there for a check on cattle markets and what kind of shape pastures are in.

For many folks, the local post office is the nearest contact they have to the federal government. It is a place to get information, a place to establish contact with a Washington, D.C. that too often is separated from the reality of what rural America actually is...

A flag flies out in front of the building and a sign located somewhere on it estab-

lishes the fact that a town is located there. You know the community exists because that sign says it does. In fact, more than one Texas community got into an argument with postal authorities right back at its beginning because the government people didn't like the name the citizens had picked out for it. And in every case I know of, the post office won. The name had to be changed because some other town had already claimed it, or because it didn't sound quite dignified enough to be written on the front of a letter.

Now, in the name of efficiency, the Postal Service has set out to close thousands of these offices around the country. They claim that the offices aren't big enough to pay for themselves. What's needed, say the postal authorities, is a bigger, more centralized office located in a bigger town nearby. That way the new office can handle a larger volume of mail and come closer to paying for itself.

Generally speaking, I've always been in favor of more government efficiency. But this time I'm doubtful that building bigger post offices is likely to save all that much money, cut postal rates or serve anyone better. If you follow that "big is better" type of reasoning out to its logical conclusion, you'd wind up with the impression that New York City must be lots more efficient than say Cuero, Texas. But somehow I doubt the truth in that. It shouldn't take an efficiency expert to see that there must be an error in this reasoning somewhere along the way.

And I can't help but take exception to something else. The post office higher ups have been very careful to explain that no one will lose their jobs when the smaller post offices are closed. I know that's good news to lots of postal clerks. And I don't want to slight the feelings of any of our postal friends out through the country, but it doesn't seem to me as if that should be the first consideration. Post offices are intended to serve the public. It seems to me as if that's why they were established in the first place.

Service is the whole idea behind what most of us one knew as Rural Free Delivery. I'm sure that name is long gone by now, but I'll bet that the service itself still isn't a paying proposition. Nor should it be. After all, it seems to me as if mail delivery has to stack up as one of the prime reasons we have a government in the first place. Goodness knows I can't think of any other governmental agency that's a paying proposition.

And it will take a powerful amount of solid evidence to convince me that what could come out of all these proposed changes would be either cheaper or better postal service for anyone. We've heard that story before. I'm for holding on to the small post offices. We need them.

CHINA HINTS AT A MANNED SPACE PROGRAM

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. TEAGUE. Mr. Speaker, at a time when many of the critics of our space program call for continued reduction in NASA's budget, I believe it is important to examine the space activities of other countries. The countries of Western Europe and the U.S.S.R. are increasingly adding emphasis to their space programs. More recently China has indicated that

it may have plans for a manned space program.

I include an article by John Noble Wilford that was published recently in the New York Times for the information of my colleagues:

CHINA HINTS AT A MANNED SPACE PROGRAM

(By John Noble Wilford)

China published yesterday the first clear hint that it might have plans for a manned space program.

An article in the Peking Daily Kwangning Jih Pao said that a recent unmanned space flight, which apparently demonstrated the capability not only to orbit a spacecraft but also to bring the capsule back to earth, constituted an "important aspect in the development of the technology of manned artificial satellites."

American space observers said that the newspaper article was the first public acknowledgment by the Chinese of what some Western experts had grown to suspect in recent weeks.

China has put five satellites into earth orbit since 1970. The fourth, launched last Nov. 26, "returned to earth as scheduled after functioning normally," the Peking article said.

It was this successful recovery that led Prof. Heinz Kaminski, a West German space expert, among other observers, to suggest that the day of China's first manned space mission was not far away.

RECOVERY DESCRIBED

The writer of the Chinese article, Hsien Chu, said:

"The recovery of a satellite constitutes an important aspect in space technique. It has a positive significance for increasing the value of the artificial satellite, and developing space technology and sending men into space."

Excerpts from the article were reported by the Peking correspondent of Agence France Presse.

The following description of the recovery—presumably on land—was given:

"After overcoming the difficulty of heat, the satellite, having come down to a determined altitude, opens its landing parachute to reduce further its speed and lands slowly in the prescribed zone.

"Landing in the sea also exists: The satellite in the water will be refloated by helicopter and boat. There also exists air recovery: A plane recovers the vessel and the parachute, to which it is suspended, in its hold."

Space experts in Washington said that it was unclear whether the Chinese meant that they had tested sea and air recovery of spacecraft. Most American spacecraft are recovered at sea, though the Air Force has used an air recovery method for some of its secret reconnaissance satellites.

The American experts also said that they knew of no immediate Chinese plans for a manned space mission. But the recent tests, they said, indicated an accelerated effort and the probable development of a launching rocket more powerful than the ones used in the first Chinese space flights.

CUT THE PROMISES

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. SYMMS. Mr. Speaker, numerous articles have appeared over the past months analyzing the problems in the Social Security Administration and the

fact that social security programs have been promising too much to too many.

The following article, taken from the Wall Street Journal, puts several of these problems into a nutshell and calls for some hard answers to this serious financial problem. Many of my constituents have written to me and stated that they know that there will be nothing left in the social security trust fund when they retire. This leads me to believe that today's workers are willing to face the serious questions connected with social security and accept some hard solutions.

It would be a shame if the worst expectations of these workers—that there will be nothing left for them in the social security till—are realized because politicians were too afraid to cut the political promises and get down to the hard business of restoring the fiscal soundness of social security.

The article follows:

HALFWAY ON SOCIAL SECURITY

No doubt President Ford believes he is being responsible in asking Congress to increase the payroll for Social Security. Even though the increase would not take effect until next January, after the elections, it is still not easy to ask that employees and employers each be made to pay another 0.3% of wages, bringing the combined payroll tax to a lofty 12.3% of covered wages.

But those who have been following our observations on the problems of Social Security should not be surprised to learn that the tax boost is no solution to the big problem, which is that incredibly high future benefits have been built into the system and will ultimately wreck it. Our impression is that Mr. Ford to this day has not been carefully briefed on the subject.

For an idea of how little Mr. Ford's proposals touch the big issue consider the following: As of last June 30, the Social Security system recorded an actuarial deficit of \$2.1 trillion. That's trillion! Mr. Ford's tax increase will trim the deficit to about \$1.85 trillion. A separate proposal, ending the inadvertent "super index" that increases benefits to future retirees at approximately twice the inflation rate, would reduce this by roughly half. That leaves a deficit of nearly \$1 trillion.

A word about these numbers: The actuarial deficit is the amount of money the government would need to have on hand today, earning interest, to cover the shortfalls present tax and benefit rates would generate over the next 75 years. The above numbers reflect special actuarial methods Congress mandated for the Social Security system; under the concepts applied to private pensions the numbers would be even larger. These numbers put aside the question of whether present economic policies can generate the capital formation needed to meet the growth and inflation rates assumed in the actuarial calculations.

Even if the President's proposals are adopted, in short, Washington's current politicians will be wishing on their heirs a problem that by generous calculations amounts to \$1 trillion. This is precisely what Mayor Lindsay did to New York City, coping with current problems by running up future liabilities in the pension system for his successors to deal with.

At least President Ford is willing to go halfway toward solving the problem, instead of making it worse. His liberal critics in Congress talk of replacing his tax rate increase by jumping the Social Security wage base to \$24,000 from the current \$15,300. But since benefits are calculated on the wage base, every increase in the base is an increase in

future benefits; the liberal "solution" actually expands the actuarial deficit by leaps and bounds.

The size of the problem also makes it painfully clear that it is nonsense to talk of "dipping into general revenues" to pay Social Security benefits. For one thing, there are no general revenues to dip into, which means either income taxes have to be raised or government borrowings increased. How can anyone seriously propose raising income taxes by \$1 trillion—70% of gross national product to close the actuarial deficit, or postpone the problem and have future politicians raise \$1 trillion plus interest?

The long and short of these numbers is that more benefits have been promised than can reasonably be expected to be paid. The only solution is to reduce the promises—which we hasten to add does not mean reducing present benefits. Nor do we think the public would find this reduction unacceptable, or even unattractive, compared with the alternative, which is a remorseless rise in tax rates.

The trick is to find the least painful way to reduce the promises. Almost all of the remaining deficit could be closed if future benefits were tied to prices instead of wages—guaranteeing the purchasing power of future retirees but not guaranteeing them a share of future economic growth. Or benefits could gradually be subjected to some kind of tax. Or Congress could pass legislation today specifying gradual increases in the retirement age in the future—economically some such step will be almost mandatory when "baby boom" workers start to retire, and in any event anyone who wants to retire at 65 is given warning to prepare on his own for the first two or three years.

Facing these issues now strikes us as good common sense, since the American people seem receptive to confronting new realities. The Social Security problem can't be wished away, but neither is it so hideous that candidates for national office should fear to discuss it. President Ford has tackled the easy half. A presidential election year is the proper time to debate the hard half.

"MISS STELLA" GLIDDON: JOURNALIST, AND PUBLIC SERVANT

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. PICKLE. Mr. Speaker, Mrs. Stella Gliddon has recently sold her interest in the Johnson City Record Courier and will relinquish her position as full-time editor. "Miss Stella," as she is affectionately known by all, is the epitome of the country newspaper editor. For more than a half-century she has reported the news of her friends and neighbors, faithfully and factually.

Her most famous subscriber was the 36th President of the United States, Lyndon B. Johnson, whom she had known since he was a young boy. In their stays in Blanco County during Mr. Johnson's 6 years, the national press corps and thousands of Americans became acquainted with "Miss Stella." These visitors to the hill country of Texas soon regarded her with the same fondness that her life-long friends did. Many of those who have passed through Johnson City over the years have enjoyed Miss Stella's column, "Folks We

Know," so much, that they still subscribe to her paper.

Although she will no longer work with the Courier on a full-time basis, I join her many fans in hoping that she will still favor us with an occasional column.

I am enclosing a copy of her widely read column which appeared in the January 8, 1976 issue of the Courier:

FOLKS WE KNOW

(By Mrs. Stella Gliddon)

After doing newspaper work for over 60 years, there are both joys and regrets in our heart this week as we turn over the editorship of the Record-Courier to someone else—Last week we sold the paper to George and Joan Puckett from Austin, who also own two papers in that city and The Burnet County Bulletin in Burnet.

Our joy comes from now being able to retire and do a few of the things we would have liked to have done long ago, but for which there just wasn't time.

The regrets are manifold—We will miss recording the weddings of the Susies and Jims, the arrival of new babies, the many reunions, meeting the new preachers and others who come here to live, but most of all the happy conversations it has been our privilege to enjoy with the folks here—Their joys were our joys and their sorrows we shared.

In retrospect, we rejoice in that never during our long career as editor did we ever print gossip news or news that was better left unsaid—in a small town newspaper, at least.

For the past seven years we had two of the finest gentlemen as partners, Art Kowert and Marcus Wehmer, both of Fredericksburg—This business relationship was kin to heaven so harmoniously was it carried on—Both are connected with the Fredericksburg Standard. Art as editor and Marcus as foreman in the mechanical department.

These are the things we will miss and yet we know that our retirement will be just as full of happenings as it has been when sitting in the editor's chair—For our successors, Mr. and Mrs. Puckett, hope for a bright future and we wish them every success possible.

To you, dear readers, we give many thoughts and recall how "we walked together" arm in arm for more than half a century and a sincere "thank you" awaits every one of you.

Our retirement does not necessarily mean a goodbye, for we hope to meet again with you at various times in "Folks We Know," to tell about you and your loved ones, to boost Johnson City, and to write about some remote beauty spot, or the big oak trees, or the birds, and the love of the folks around us that will forever make them the best folks we ever know—Auf Wiedersehn.

NOTICE OF HEARINGS ON NATIONAL PARK SERVICE PERSONNEL AND BUDGETARY SHORTAGES

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the Conservation, Energy, and Natural Resources Subcommittee of the Committee on Government Operations will continue its investigation of personnel and budgetary restrictions imposed upon the National Park Service at a hearing on January 30. Interior Depart-

ment Secretary Thomas Kleppe will be the primary witness.

The subcommittee began its investigation of the impacts of Park Service personnel and budgetary restrictions on the National Park System during the last session of Congress. At a December 4, 1975, hearing witnesses from the National Parks and Conservation Association, a panel of park superintendents and Park Service Director Gary Everhardt agreed that the natural resources and facilities in the National Park System will continue to deteriorate unless present restrictions on manpower and budget for park operations are lifted. The subcommittee has asked Secretary Kleppe to explain the Interior Department's role in developing the budget and personnel requests for the Park Service.

I am extremely grateful that the ranking minority member of the subcommittee, Representative GILBERT GUDE from Maryland, has played an active role in this examination of the problems confronting the preservation of our national parks. His invaluable expertise and keen interest in outdoor recreation has certainly been of great benefit to the subcommittee.

The hearing will begin at 10 a.m. in room 2203, Rayburn House Office building.

Following is the text of an article on the investigation which appeared in the Philadelphia Inquirer, December 7, 1975: [From the Philadelphia Inquirer, Dec. 7, 1975]

NATIONAL PARKS ARE FALLING

(By David Hess)

WASHINGTON.—Some of the nation's most priceless assets—its national parks and historic sites—are falling into disrepair and will continue to deteriorate unless current budget handcuffs are removed, a group of park superintendents has told Congress.

Four superintendents and the spokesman for a national conservation group all drew a bleak picture of the seedy condition of most of the nation's parks in testimony last week before a House Government Operations subcommittee.

Their portrayals were affirmed by National Park Service Director Gary Everhardt, who said "a sort of domino effect has set in."

Stingy budgets over the past several years, Everhardt said, have led to a steady decline of park services and facilities.

"Neglect of maintenance leads to rehabilitation," he said. "A lack of rehabilitation leads to reconstruction, so that in the long run the cost is even greater than if we'd attended to the repairs in the first place."

Subcommittee Chairman William S. Moorhead (D., Pa.) said a preliminary investigation by his staff shows that manning levels for park operations have remained essentially the same as they were 10 years ago, despite a doubling in the number of park visitors and the addition of hundreds of thousands of new acres.

Everhardt said there has been an increase in Park Service spending over the past decade.

MONEY DIVERTED

But new additions to the park system, along with "new responsibilities"—such as administration of Job Corps Centers—have diverted money from basic park operations and management.

Some park roads and bridges are approaching "a state of disrepair that if left untended will require total reconstruction," Everhardt

said, "and many historical (structures) are in jeopardy of being lost forever."

Among those most in danger, he said, is historic Fort Jefferson in the Dry Tortugas off the Florida Keys. The fort is being slowly consumed by the sea.

The superintendents chronicled a long list of deteriorating assets in their parks.

Roads, hiking trails, buildings, campsites, historical structures, patrolling and policing services, wildlife management and protection, and natural wonders all are going to pot, they said.

Meanwhile, vandalism, mindless destruction of plants, animals and natural monuments, they said, continue apace as the ranks of forest rangers are thinned by budget shrinkage.

William R. Failor, superintendent of the C&O National Historical Park on the Potomac River, said he needs at least 20 rangers to protect park property and ensure public safety. His budget allows him to employ only eight.

In a dramatic plea for congressional help, Boyd Evison, superintendent of the Great Smoky Mountains National Park, said:

"In parks, the medium most assuredly is the message. Rotting historic structures, rutted trails and littered roadsides tell the public that America doesn't care enough to husband its most distinctive natural and historic resources."

"The results are costly. The costs are not only in terms of dollars, or of manpower. Perhaps the most serious costs are in terms of resources irretrievably impaired and of experiences forever lost."

Anthony Wayne Smith, head of the privately supported National Parks and Conservation Association (NCPA), delivered a detailed inventory of the deteriorated facilities and services in each of the major parks.

The superintendents said Smith's survey was "essentially accurate."

As examples of deteriorated facilities and curtailed services, the NCPA survey showed the following "deficiencies":

In Everglades National Park: Inadequate law enforcement; the halting of back-country campsite construction; rampant destruction of fragile ecological areas due to a shortage of rangers and other personnel; no maintenance at all of most permanent buildings and other structures.

Crater Lake National Park: Suffered a "near catastrophe" last summer when the water supply became contaminated because of budget cuts in construction of sewer and water systems.

Great Smoky Mountains National Park: Under the onslaught of the largest influx of visitors to any park, facilities are run-down, vandalized and overused; the Appalachian Trail is rutted and badly eroded, miles of roads are unsafe in wet weather; law enforcement is inadequate; wild boars are destroying vast tracts of forest land—all because of budget restraints that have caused a severe manpower shortage.

Shenandoah National Park: Deteriorating buildings and other facilities; eroded trails and campgrounds, substandard water and sewerage systems, uncontrolled poaching of game.

National Capital Parks in the District of Columbia: With as many as 3 million tourists anticipated in the bicentennial year, Superintendent Manus Fish said the Capital Parks system could be overwhelmed.

Yosemite National Park: Camp grounds in a "major state of disrepair"; the bridge on the John Muir Trail over the Dana Fork of the Tuolumne River is "in an extremely dangerous condition of disrepair"; inadequate patrolling of back-country camping sites.

Everhardt said \$57 million was slashed last year from the Park Service budget.

Everhardt said most park services and maintenance efforts are now "substandard."

THE 100TH ANNIVERSARY OF IVES CO.

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. GIAIMO. Mr. Speaker, as we celebrate our Bicentennial year, the people of the United States should take appropriate note of the social, political and economic forces which shaped the character and history of the Nation. Among those dynamic forces was the industrial revolution of the 19th century.

Central to the development and growth of that impressive phenomenon was the contributions made by the industries of New Haven, Conn., for many years a major manufacturing center, as well as those in other parts of New England. New Haven residents take pride in the fact that Eli Whitney established the principle of interchangeable parts in a local factory and that Charles Good-year discovered a method of vulcanizing rubber while at work in our city.

Through the years, other, though less spectacular, breakthroughs in manufacturing marked the work of energetic and talented men in various local industries. Such a man was Hobart B. Ives—1840-1926—a retired prosperous farmer who obtained a patent for a mortise door bolt and founded the H. B. Ives Co. in 1876 in a small New Haven barn. For the next 100 years the H. B. Ives Co. prospered and became well known for the production and distribution of quality hardware. To this day the security lock, as well as a window sash lock invented and patented by Mr. Ives a few years after the company's founding, remain in the company's present line of more than 300 builders hardware products.

Upon Mr. Ives' death, ownership of the firm passed to his widow, three daughters and five business associates. One, Lauren Humiston, succeeded to the presidency, and he in turn was succeeded by Hobart J. Hendrick and John B. Morse, grandsons of the founder. In 1968, the company became the Ives Division of Leigh Products, Inc. of Grand Rapids, Mich., also a manufacturer and marketer of building products. Frank H. Woodman, Jr., has been president since 1971.

This year the H. B. Ives Co. is commemorating the centennial of the company's founding with the presentation of an appreciative Centennial Award to the top 100 of its longest and leading active customers.

Among the celebrants, as well, will be approximately 200 employees of the H. B. Ives Co., which continues to be a major source of employment for New Haven's skilled labor force and a valuable citizen and taxpayer of that community.

The Ives name, however, is appreciated beyond the borders of Connecticut. Widely known and recognized for leadership in quality products and customer service, the Ives name is prominent both in the consumer and new building construction markets. Its residential products include not only property protection hardware, but also door closers, cabinet hard-

ware, casement operators and hydraulic door closers. In the commercial, institutional and multiple dwelling building field, the company holds patents for several types of automatic flush bolts for the operating control of fire doors, and produces other items of essential convenient hardware. The company occupies a modern and recently enlarged facility built in 1965.

Mr. Speaker, I am confident that Ives' second century will be as exciting and innovating as was its first century. My congratulations go both to the company managers and its employees for a job well done.

ON ECONOMIC PLANNING

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. HARRINGTON. Mr. Speaker, this Sunday an article by Robert Heilbroner entitled "The American Plan" appeared in the New York Times magazine. Mr. Heilbroner, who is Norman Thomas professor of economics at the New School for Social Research in New York City, clearly and knowledgeably introduces the main concepts of national economic planning. In his article, Mr. Heilbroner raises and discusses the major questions and concerns surrounding the frequently misconceived proposal for economic planning.

Mr. Heilbroner's article is a comprehensive summary of the key elements involved in undertaking economic planning at the Federal level, and it is the most thorough discussion of the central issues that I have seen to date. The first part of the article covers such concerns as who and what gets planned in a planned economy, how planning gets done and by whom, and how planning and the market interact. The text of the first section follows for the benefit of my colleagues:

THE AMERICAN PLAN

(By Robert L. Heilbroner)

America is drifting into economic planning. One may deplore the fact—Herbert Stein, chairman of the Council of Economic Advisers under President Nixon, tells us that planning will make the economy "more inflationary, less free, and less efficient." One may denounce it—Thomas Murphy, chairman of General Motors, predicts that national planning will be a "prescription for national chaos, or, at best, national stagnation." One may dread it—Walter Wriston, chairman of First National City Bank, warns us that planning will destroy our personal liberties.

But I do not think one can any longer deny it. Senators Hubert Humphrey and Jacob Javits have joined forces to introduce a bill (called by Humphrey his "single most important piece of legislation") establishing a national planning agency. A roster of eminent economists led by John Kenneth Galbraith and Nobel Prize winner Wassily Leontief have endorsed the bill. So have many labor leaders, following the lead of Leonard Woodcock of the United Automobile Workers. Most surprising of all, a small but growing number of influential businessmen, such

as Felix Rohatyn of Lazard Frères and Henry Ford, have spoken out for the establishment of some form of national economic planning.

Thus, for better or worse, whether we welcome it or not, under the Humphrey-Javits bill, or another, I expect that within five years, perhaps much sooner, we will be officially embarked on something called National Economic Planning.

What will that planning be like? What changes would it bring to the American economy? In what follows I shall try to give plausible and realistic answers to some of the main questions that planning will force us to confront.

Quite properly, the first question that people ask is how national economic planning will affect their lives.

This is not an easy question to answer, because the impact of planning may be large or small, depending on what our planning effort is trying to achieve. National planning may mean an attempt to reach ambitious but narrowly defined goals—for example, converting the economy entirely to solar energy in, say, 20 years. Such a plan would have an immense impact on a limited number of people. It would do away with jobs in oil refining or coal mining, it might bring bankruptcy to innumerable businesses hitched to coal or oil and unable to find another berth. On the other side, of course, it would mean a bonanza for everyone connected with the development of solar energy. So far as the majority of households is concerned, however, it would probably mean little, until it came time to change over from gasoline-powered to electric-powered automobiles or from home furnaces to heat pumps.

But not all national planning will be narrowly targeted, and the wider and more general its goals, the larger the number of individuals who will be affected. Planning to limit inflation, for example, is likely to exert its impact on nearly everyone—perhaps only mildly, if the anti-inflation plan is limited to taxes; probably much more sharply if it includes controls over wages and salaries and profits and prices. So, too, planning to avoid dangerous economic growth might brush lightly over our lives if it required no more than slight curtailments in our use of energy (smaller cars, or higher electricity charges), or it might interfere with life very significantly if a plan sought to bring industrial growth to a virtual halt because of the actions of a world-wide cartel such as OPEC or because of a very serious danger of atmospheric pollution.

Thus, one cannot give bland assurances that planning will be painless, any more than one is warranted in issuing pronouncements that it will be traumatic. What determines the extent of planning is the need for it, but that selfsame need may diminish the psychological impact of planning. For example, we are not likely to impose wage, price and profit controls unless inflation continues its ravages, in which case we are apt to welcome intrusive planning, not object to it. We will certainly not plan for a low rate of economic growth unless considerations of national survival are involved. In that case, too, planning will more likely be felt as a form of collective guidance than as an invasion of our freedom.

WHAT GETS PLANNED IN A PLANNED ECONOMY?

It must already be clear that there is no preordained size or shape to the activity we call "national planning." It is possible to plan for very clearly defined objectives. But we can also plan on a much broader scale. A national economic plan will probably be a coordinated set of general economic targets; say, a 50 percent reduction in unemployment, plus a reduction of the rate of inflation to 5 percent, plus an expansion of economic growth to 6 percent. Needless to say, these economic targets are not picked at random. In fact, one of the main purposes of planning

is to discover what combinations of such general goals are compatible.

It follows that planning is by no means a wholly foreign kind of economic activity. Every deliberate effort to bring about an outcome of the economic process different from that which would emerge spontaneously from the market system is a form of planning. Unemployment compensation, Social Security and Medicare are forms of planning just as much as wage and price controls. The anti-inflationary actions of the Federal Reserve Board are efforts to plan the outcome of the economic process just as much as the designation of a national target of, say, 4 percent growth. What we mean by national economic planning, in its broadest sense, is thus an effort to coordinate existing plans, quite as much as an effort to extend the reach of our control over the economy.

HOW IS THE PLANNING DONE?

This brings us to a consideration of the planning mechanism itself. Here a basic misconception must first be put down. It is the idea that planning means the creation of an enormous blueprint of production, specifying the size and number and quality of buttons on every shirt.

There have been efforts at such total planning, notably in the Soviet Union, and they have been largely adjudged as failures. Useful for mobilizing an economy on a war basis (and the early Soviet planning efforts were a kind of war mobilization for economic growth), they have proved cumbersome and harmful once an economy has attained the complexity of a fully industrial system.

Only the advent of another conventional war or an environmental threat of warlike proportions would cause national economic planning in the United States to assume this kind of exacting specification. Rather, planning would almost certainly take the form of a series of steps of a very different nature.

The initial step in planning would necessarily be an effort to expand the amount and accuracy of the economic information at our disposal. Although we possess the largest and probably the best statistical service in the world, we are still woefully ignorant of many of the essential facts about our economy. When the Arab oil embargo struck, for example, we did not possess information about the size of our stocks of gasoline. Although we pretend that we have 8 percent unemployment, it is common knowledge that the unemployment "count" is extremely inaccurate, especially for the black and Puerto Rican minorities, and to this very day we do not possess an inventory of the numbers or kinds of job openings in the economy. Our estimates for many important economic magnitudes—our stock of money, our balance of payments, our Gross National Product—are all much too unreliable.

The first step in national planning must, therefore, be an expansion and improvement of our fund of economic information. The next step is to use this information to create a bigger and better flow-chart for the economy. We call such a flow-chart an input-output matrix. An input-output matrix is a kind of recipe book for production. Developed by Wassily Leontief, it enables us to ascertain (albeit only very roughly) how much steel, rubber, copper, cloth, etc., it takes to "cook" an automobile, a steel girder, or a billion dollars' worth of G.N.P. of a given kind. This is a much more complicated calculation than it might at first appear, because the ingredients for a given menu of output are larger in number and more diverse in kind than one could divine by looking at the final products. Input-output may show us that an attractive looking menu of output cannot be produced without expanding our facilities for production, or it may reveal an unexpected bottleneck that would abort a seemingly feasible plan for expansion.

Nevertheless, input-output, indispensable though it may be, is not planning itself. The act of planning consists of the selection and realization of goals for the economy. These may be narrow, specific "micro" targets, such as an energy program, or broad "macro" goals, such as a reduction of unemployment, or both. (Needless to say, this brings up the question of who selects our goals, but I will defer this problem momentarily.)

Goal-setting, as it is envisaged in the Humphrey-Javits bill or in any variant of this bill that is likely to become law, does not consist of the designation by a planning agency of one set of targets known as "the national plan." Rather, the procedure in goal-setting is to work up a number of alternative planning possibilities. These may be a series of specific microprograms—housing, urban rehabilitation, mass transit—any one of which could be undertaken singly, but all of which could not be mounted simultaneously because of the strain on our labor or material capacities. Or the alternative plans might consist of different combinations of macrotargets. Plan A might suggest 5 percent inflation and 6 percent unemployment. Plan B might suggest 8 percent inflation. Plan C might offer 4 percent inflation and 3 percent unemployment—a more attractive combination, but one that would require much stiffer controls than Plans A and B.

The job of the planning agency, working with its statistical information and input-output "recipes," is to concoct a number of such feasible alternative plans or scenarios.

But a number of feasible plans having been hatched, the full-fledged public debate now begins. This debate may be limited to Congress, or might possibly be extended to the public, especially if Plan A were endorsed by one party and Plan C by another. Eventually one or another set of plans is decided on—housing is given preference to mass transit, or vice versa; Plan D is arrived at by a process of compromise. The final plans are given the approval of Congress and the President and become the official economic goals of the nation.

How are the various goals to be reached? Written into each plan is a series of stimuli and sanctions designed to bring the objective into actuality. These may be nothing more than an appropriation of funds, comparable to the plans that once built the Union Pacific Railway or the Panama Canal. Or the necessary measures may be of a broader kind, such as a general injunction to use "all monetary and fiscal means" to achieve such and such a level of inflation and employment. It is also entirely possible that a given plan will include tax changes as part of its means-ends machinery: tax incentives for industries to invest in ways that are congenial to the plan; tax penalties for industries that do not; tax inducements for consumers to use their purchasing power in consonance with the objective of speeding up economic expansion, or slowing it down, or changing the composition of output.

If the plan is of the highest importance for national survival, it will surely contain coercive measures of various kinds. Materials may have to be allocated to industries deemed to be of the highest priority; crash programs of investment may have to be mounted, perhaps by the creation of a Government effort such as the Manhattan Project; very stringent controls or prohibitions might have to be imposed on industry and household alike if we had to execute an abrupt aboutface in our economic direction as a consequence of a very serious external threat.

WHO MAKES THE PLANS IN A PLANNED ECONOMY?

A vast amount of alarm and confusion surrounds the problem of decision-making. Conservatives warn us of faceless experts who

will substitute their judgment for the "democracy" of the market. Business fears a paralyzing bureaucracy. The left is suspicious of a corporate take-over of the planning apparatus.

None of these warnings are to be lightly disregarded, and I shall return to them. But I think it is best to begin with a more positive approach. I envisage the planning process as closely resembling the legislative process. This means that at every stage of planning—informing gathering (what information?), input-output model-building (under what assumptions?), alternative planning goals (for what ends?)—there will be a struggle to insinuate many views. Corporate elites, charismatic individuals, powerful politicians, labor unions, regional and other lobbies, public groups of many sorts will be writing letters, taking people out to lunch or trying to pull strings to get some portion of the plan to represent their interests or points of view.

Hence I suspect that the goals presented for debate and deliberation will already reflect the untidy, adversary, influence-peddling ways by which a democratic system runs. I also suspect the final plans will be as good and as bad, as outrageous and as sensible, as reactionary or as radical as the mass of legislation that today emerges in roughly the same way. In a word, if one has faith that a democracy can govern itself, there is no reason to believe that it cannot plan for itself.

Of course, it is possible to harbor severe doubts about the self-governing abilities of a democracy; and for the same reason it is possible to harbor serious doubts about planning. There is a danger that the planning options may be usurped by faceless experts who will try to apply to the national economy the same masterminding that they applied to the conduct of the Vietnam War. It is certainly possible that the planning agency will become bureaucratic.

And I would assuredly not dismiss the fears of the left that planning may become an instrument of corporate capitalism. Indeed, it seems very plain that the main purpose of planning will be to shore up and underpin, not to weaken or undo, the business system. Nevertheless I do not think that business interests must dominate planning even though the business interest is served by it. Labor and consumer groups will probably have more power and influence under a planning arrangement than they have today.

HOW MUCH MARKET WILL BE LEFT IN A PLANNED ECONOMY?

The great hue and cry of those who oppose planning is that it will replace the market—that vast, flexible, democratic instrument by which a "free" economy makes its collective decisions about the kinds of goods it will produce.

I have no desire to deprecate the usefulness of the market, whose capabilities have been reluctantly recognized even within the Soviet bloc. But it is necessary to view the market with the same degree of skeptical criticism that we apply to planning. First, we should recognize that what we call "the market" is not a single great current of economic activity against which no institution can assert its independent will. This may be true for the individual farmer, retailer, or small businessman, but it is emphatically not the case with large companies that dominate their fields and that can assert their wills to a very considerable extent. As American Telephone and Telegraph states in a series of recent advertisements, "The telephone system didn't just happen. It was planned, right from the start."

In fact, the big corporations in all industrial areas act like private planning agencies, a point eloquently expounded by Galbraith. To a very great degree, the big companies hold the market at bay, raising or lowering

prices when they want to, not when an oceanic flood of competition forces them to. So, too, they expand (or contract) their enterprises according to long-range forecasts that ignore the immediate press of business conditions.

Second, we must realize that the market is far from the democratic institution that is popularly projected. The market is a kind of continually recurring economic election, in which households vote with their dollars for the kinds of goods they want. That would be democratic indeed, if all households had equal votes. But of course they do not. The top 20 percent of households have 40 percent of the economic "voting" power; the bottom 20 percent only 5 percent of the purchasing power. A family like the Rockefellers casts as many votes as ten thousand families at the poverty line. Is this democracy?

Last, the market surely serves very well to express the collective, albeit lopsided, appetites of its constituency for commodities, but it has no means of giving voice to objectives that are not themselves given the status of commodities. For example, the market brings forth an assemblage of cars—big cars for big pocketbooks, small cars for small pocketbooks. Even if we accept this distribution of output as "right," we must not forget that in addition to automobiles, the market process has also brought forth traffic congestion, pollution, risk to life and limb. But the market place is blind to these "externalities"—that is, to these side-effects of production.

Perhaps the planning-market controversy can best be summed up by saying that the market is a poor goal-setting mechanism. The "goals" it establishes reflect the buying power of the rich far more than that of poor, are distorted by powerful aggregates of massed corporate wealth, and are without recognition of any end-result of economic activity that bears no price tag. Planning is an effort to remedy this distorted or missing goal-setting ability along the messy but workable ways we have described.

On the other hand, the market is a remarkable administrative mechanism, even in those areas where private power is most evident. Far better than any corps of planning inspectors, it oversees the quick adaptation of new techniques; it provides factories and stores with opportunities to deal with efficient suppliers; and it offers customers the ultimate weapon of choice. Planning does all these things badly, if at all. Therefore, any national economic plan, save one designed to implement a crash program of vital importance, would lean heavily on the market system. The flow of goods from plant to plant or from plant to customer; the entry of labor and capital into industries or their exit from those industries; the organization of production, will all be largely entrusted to the profit-seeking, competitive ways of the accustomed market mechanism. Planning may have to intervene in nonmarket ways, such as by control over prices and wages or by direct materials allocations, but only if milder techniques for influencing inflation or output are ineffective. The preferred ways of making a plan work will be by techniques that work through the market, rather than against it.

NMC: A LIFE SAVING PRIVATE BUSINESS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. DRINAN. Mr. Speaker, the very distressing recommendations made by the administration to cut back on Federal

funding for all types of medical research and health care programs prompt me to share with my colleagues a very moving account of a very valuable health program made possible by the 92d Congress. Public Law 92-603 provides Medicare payment for dialysis treatments. The law results in the Federal Government paying 80 percent of the typical \$120 per visit cost for persons afflicted with kidney disease—as described in the attached article.

The Boston Sunday Herald Advertiser on October 26, 1975, printed an article written by Ed Francis on National Medical Care, Inc., a life-saving private business. This story demonstrates the magnificent help which citizens can receive when the Federal Government collaborates with private agencies specializing in the delivery of advanced health care.

The article follows:

NMC: A LIFE SAVING PRIVATE BUSINESS
(By Ed Francis)

There's a bronze-tone glass and concrete building on Commonwealth Avenue called The Kidney Center. Some 250 persons enter its doors three or four times a week and stay 4 to 6 hours on each visit. For each individual the visit is a matter of life. They are on dialysis, the life-giving artificial kidney machines.

But there's a story behind that story. It's National Medical Care, Inc., headquartered at 77 Pond Avenue, Brookline.

Founded in 1968 on a unique concept which aims at providing highly efficient, advanced health care delivery systems, National Medical Care has grown into a major New York Stock Exchange listed company with assets over \$55 million serving a specialized market estimated at over \$200 million and growing.

The Kidney Center is a unit of National Medical Care. So is Erika, Inc., headquartered at Englewood, N.J. with manufacturing plants in Dallas, Texas.

At The Kidney Center patients occupy some 44 stations around the clock. Each station has a comfortable lounge which serves as a bed or recliner, a TV set, reading lights and a dialyser, (artificial kidney). Typically, each patient is connected to the artificial kidney for a period of 4 to 6 hours three days a week. And while on the machine, they read, watch TV or sleep. That's how far the technology has advanced.

Following the procedure, the patient is detached from the equipment and can return home or go back to work. Patients with no kidney function at all now can lead near normal lives for prolonged periods. A few years ago, a patient with kidney failure was lucky to stay alive.

National Medical Care, Inc. now does all of the outpatient dialysis treatments for Massachusetts General; Tufts New England Medical Center, Peter Bent Brigham and St. Elizabeth. In other cities across the country, the same type of operation exists with the same relationship to major hospitals and medical schools.

The staff of The Kidney Center includes 15 doctors who specialize in nephrology and some 200 employees including registered nurses and technicians who work one of three shifts. Nationwide, National Medical Care centers employ over 2600 doctors, nurses and technicians.

In addition, National Medical Care's subsidiary, Erika, manufactures the filters used in the dialysis machines. This is a \$66 million per market currently dominated by Baxter Laboratories but National Medical

Care is aiming at getting a share of it, say 10 percent this year.

The company's revenues increased from \$30.6 million in 1973 to \$49.5 million in 1974. Next year it is looking at \$100 million revenues as it opens new health delivery systems centers across the country. It has a capital expansion budget of about \$15 million for the year and it expects to create about 1000 new jobs.

Public Law 92-603 provides Medicare payment for dialysis treatments. The law, in effect, results in the Federal Government paying 80 percent of the typical \$122 per visit cost. This law was a major factor in the development and growth of the modern kidney machine centers now being built, and development and application of the technology that permits people to use the treatment in a dignified, comfortable manner, and in a highly sophisticated, safe environment provided by a new form of privately financed, health care service.

PROFITS AND DÉTENTE

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. MADDEN. Mr. Speaker, on last Monday evening millions of people who were listening to the President's annual state of the Union message were amazed that there were no reasons given for the fabulous billions of dollars that have been sent to about 45 nations over the globe during the last 5 or 6 years. Most of the listeners remembered the President's nationwide broadcast in late November wherein he devoted most of his time to calling the 94th Congress a spendthrift Congress.

In the second day after that broadcast at a news conference the President announced the granting of approximately \$4 billion to 28 nations in sums ranging from \$50 million to \$300 million. Many of these nations were in far better economic status than the United States.

The President devoted considerable time to the budget and the problem of our tax income in order to wipe out any possible deficit for 1976-77. He had several suggestions about raising taxes primarily on programs which would throw a further burden on the wage and salary taxpayers but in no way indicated that there might be an increase in taxes on the fabulous profits enjoyed by corporate conglomerates during his short term in office and that of his immediate predecessor.

Many Members of the House regretted this omission and as evidence of their apprehensions, I am herewith incorporating with my statement a short résumé on corporate profits which was contained in one of our weekly publications recently:

THIRD QUARTER PROFIT JUMP EXCEEDS EARLY ESTIMATE

Corporate profits in the third quarter of 1975 rose even more than initially reported, the Commerce Dept. announced.

Revised government figures show after-tax

earnings, in the July to September period increased to a seasonally adjusted annual rate of \$82.6 billion—up 17.5 percent from the \$70.3 billion rate of the previous quarter, the sharpest jump since 1950.

Earlier government estimates had put earnings in the September quarter at an \$82.2 billion adjusted annual rate, or 17 percent over the second-quarter level.

About 75 percent of the profits rise in the July-September period was accounted for by manufacturing industries, especially durable producers such as automakers, the Commerce Dept. reported. Utilities, railroads, communications and trade concerns also posted large gains.

Stockholders' equity in manufacturing concerns increased in the third quarter to 12.4 percent from 11.8 percent in the second quarter, the government said.

Mr. Speaker, I also wish to incorporate with my remarks a few paragraphs from the editorial page of an outstanding Republican newspaper from Indiana, the Indianapolis Star of Friday, January 23, to wit:

DÉTENTE DIPLOMACY HAS LOST MEANING

That we no longer possess a coherent foreign policy has been amply demonstrated by the Ford administration's contradictory responses to the Angolan situation. American foreign policy is conceptually bankrupt.

As originally formulated, the idea of "détente" had a number of features, but absolutely central was the concept of "linkage." Secretary of State Henry Kissinger claimed to view all aspects of U.S.-Soviet relations as interconnected. Thus, a Soviet power play in Angola or elsewhere might not be met with military force, but it would cost the Soviets commensurately in terms of credits, or grain, or technology, and presumably other weapons, diplomatic and economic, could be brought to bear.

All of this now looks like a gossamer fantasy. Linkage was not applied to the Soviet-backed conquest of South Vietnam, nor to the attempted pro-Soviet coup in Portugal. It has not been applied to Angola, and indeed the Ford administration has explicitly disavowed it as a weapon.

To be sure, in his talk to the American Farm Bureau Federation in St. Louis, the President warned that continued Soviet intervention in Angola will harm Moscow's "broader relations" with the United States. But the President removed all substance from the threat when he added immediately that American grain sales to the Russians would be in no way affected.

We were to reach limited agreements with the Soviets on strategic hardware. We would conclude trade agreements beneficial to the Soviets but available to us as leverage. Under the "Nixon Doctrine," we would supply military and economic aid to those who were willing to "help themselves" when threatened with Communist takeover. It was a paradoxical combination of agreement plus leverage plus tough competition. Nixon himself was an important part of the equation: His 1972 bombing and mining showed that the U.S. had an impressive repertoire of responses, and that the risks of aggression could be high.

As détente is now being pursued, however, the vital elements of leverage, tough competition, and helping those who help themselves have all dropped out of the equation. That is why Ford and Kissinger received blunt lectures on the hollowness of détente on their recent visit to Peking, and, strangely enough, it may explain the effusively warm reception given by the Chinese leadership to David and Julie Eisenhower, nee Nixon.

Kissinger no longer has a credible foreign policy vis a vis the Soviet Union.

AMERICAN COLLEGE OF NUCLEAR PHYSICIANS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. LEHMAN. Mr. Speaker, I would like to bring to the attention of my colleagues the official recognition of a relatively new discipline of medicine—nuclear medicine—and the establishment of the American College of Nuclear Medicine, which has been of considerable assistance to the Congress in its efforts to insure the safe and speedy delivery of this sophisticated type of health care.

Nuclear medicine is the clinical field concerned with the diagnostic and therapeutic use of radioactive materials, called radiopharmaceuticals. It is a vigorous, dynamic field that has had phenomenal growth over the past few years and will continue to grow rapidly in the future, given the proper conditions.

Not only is nuclear medicine an infant compared to the basic practice of medicine, but the fearful images sparked by thoughts of nuclear reaction make it more difficult to deliver the benefits of this discipline to our Nation.

The newness of the discipline was underlined recently in the action of the American Medical Association, which, despite the long-time existence of other special sessions, voted on in November of last year to establish a special section on nuclear medicine.

Dr. Gerald DeNardo, president of the American College of Nuclear Physicians, spoke to this issue at the annual convention of the AMA in Atlantic City last year, and noted:

The College respectfully urges the establishment of a Section on Nuclear Medicine. There is a special urgency for action at this time.

The pressures of current social crises, while affecting all medical practice, are especially pressing in the area of nuclear medicine. The air transportation of radiopharmaceuticals is just one area in which we have been active recently. This, and the resolution of other matters, would be more effectively enhanced by the establishment of a section.

Until such a section exists, the practitioners of nuclear medicine cannot properly contribute to organized medicine and the health care delivery system.

This is the principal purpose of the college. It grew out of the Society of Nuclear Medicine, which is devoted principally to the scientific progression of the discipline. The founders of the college felt that an organization was needed to deal with problems of a more ordinary nature which were hampering or threatened to hamper the safe and economical delivery of this health care service.

The college listed among the problems encountered in the field the following:

Public fear, lack of understanding, and misinformation about nuclear medicine; Unnecessary and costly regulations and restrictions;

Complex State and Federal regulations;

Transportation difficulties involving nuclear medicine supplies; and

The previous lack of a cohesive effort to attack such problems.

The thrust of the new organization's efforts has been in the direction of fostering activities which will help practitioners deliver this health care to the public, safely and at minimal cost.

For instance, the college has been in close contact with the Subcommittee on Government Activities and Transportation, particularly regarding its recent oversight hearings on the implementation of the Hazardous Transportation Act by the Department of Transportation and the Federal Aviation Administration. The college found itself in agreement with the members of the subcommittee on the necessity of safe transportation of hazardous materials—including nuclear supplies—without the disruption of speedy delivery of medical supplies.

Both the subcommittee staff and the Air Line Pilots' Association reaffirmed the necessity of fast and efficient air shipment of radiopharmaceuticals, subject to proper packaging and quantity safeguards.

The organization is also vitally interested in the proposed amendments to the Public Health Service Act, and has made its input to the Senate and House Subcommittees on Health in this area of health care.

The college was one of the organizations filing comments on proposed Federal Aviation Administration regulations on the monitoring of radioactive materials by aircraft operators. A number of organizations felt that the emphasis in the regulations was wrong, and the college felt that the proposed rules could hamper the speedy delivery of medical supplies. As a result of comments, the Department of Transportation revoked the rules and proposed new ones.

The college is also working with the Food and Drug Administration and other Government organizations in promoting programs which will benefit the Nation in the field of nuclear medicine.

The activities in this area are too numerous to recount at this time. My purpose is simply to draw attention to some of the many efforts being made to cooperate with the Federal Government to facilitate the delivery of health care to our citizens. It might also be worth noting that the college is active in encouraging State organizations of nuclear medicine to work with the States for more consistent nationwide programs.

The college is closing its second year of existence with a convention in Miami beginning January 28. During the convention, members of the college will discuss ways of building on cooperative efforts to foster the safe and economical delivery of nuclear medicine. Recognizing the vital importance of progress in preventing and treating diseases with the best methods and technologies that are available, I hope my colleagues join with me in wishing them well.

AMERICAN-TRAINED COMMUNITY PLANNER REVISITS CHILDHOOD HOME

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. ALEXANDER. Mr. Speaker, in 1923 J. Anton Hagios came to the United States from his home in Germany to study at Brown University, and stayed to make our Nation his home and to build a career in community planning and transportation. Last summer he visited Germany for the first time in 52 years.

Mr. Hagios is now executive director of the New Jersey Citizens Highway Committee. In response to a request from a friend who is a journalist, Mr. Hagios set down his observations from his first trip to Germany in half a century. In view of Mr. Hagios' experience in planning and transportation and our own concern for learning from the experiences other peoples have with transportation systems, I believe his comments on transportation planning and systems operations in Germany would be of interest to my colleagues. Therefore, I would like to make a part of the Record some excerpts from Mr. Hagios' "Notes on Trip to Europe."

Excerpts from "Notes on Trip to Europe" follow:

NOTES ON TRIP TO EUROPE

The trip was strictly personal, being my first visit "back home" since I came to America in 1923 to complete my education at Brown University. It had no business connotations.

During the Hitler era I would not visit Germany, and after World War II, I had no desire to see my old home town, heavily damaged at it was from bombing.

Now it is rebuilt except for a half dozen houses. One of these turned out to be my family home. A temporary brick wall has been built over and around a lone foundation stone—the last remaining relic of what I had known as home.

GENERAL IMPRESSIONS

Having been deeply involved in post-war planning of Newark and of the North Jersey Metro Area, and later, as Washington Representative of the National Good Roads Association, in the development of the expanded Federal-aid Interstate Highway Program, I could not help but make some specific observations in these two areas without, however, giving them in-depth study.

CURRENT UNEMPLOYMENT

The German construction industry would seem to be crying wolf. If there was one project, there were at least fifty of major proportions going on in Freiburg alone, and a half dozen in the little village of Gottenheim where even for small homes, cranes are used for hoisting building materials. I found one dilapidated house in all of Gottenheim, and upon inquiry, I was informed it is scheduled for the bulldozer for a highway widening next year. The leading Stuttgart newspaper was reporting in July that Germany and France are jointly planning to prime the pump for construction employment relief this fall at the rate of \$2-billion in Germany and \$5-billion in France—most of it to go to transportation—highways, rails, canals,

bridges and, most important, for projects authorized and ready to go. Once Bonn and Paris vote the funding, a government official told me, construction will proceed full speed ahead to meet or beat a set completion date. He added that environment considerations are built-in features of their construction programs. The only environmental opposition I encountered was at Whyll on the Rhine, close to the famed Kaiserstuhl vineyards. The objection was to the building of an atomic plant to supply additional electricity needed for further economic growth.

TRANSPORTATION OBSERVATIONS

It is apparent to a transportation observer that the people over there "practice" balance among modes. They choose rail for longer trips, and rail and bus for commuting. Car ownership continues to grow, and its increasing use, particularly for weekend recreational and vacation travel, has obviously reduced rail use to that extent. For example, the local Freiburg-Breisach rail line has fairly frequent service during the non-commuting hours but I counted few riders. Here, too, the car, and the bus even more, have cut deeply into rail patronage. The fact that this line used to run into Colmar, France, but now terminates at the border, might also have contributed to the loss of passengers.

Highways, roads and streets are generally in better shape than in New Jersey, I'm sorry to state. The autobahns in Germany are good, somewhat dated in view of constantly growing volumes. They are well maintained, and travelers enjoy excellent road service when it comes to such things as tire changing, through constantly patrolling service vehicles operated by an international automobile club whose labor charges are nominal or free. The new autobahn now being completed in Switzerland between Basel and Zurich, is up to our standards in America. Alsace has fairly good secondary roads but from what I saw, remains behind the freeway parade of France and other parts of Europe. In Germany, well paved country roads, though heavily traveled, still go through rather than around numerous villages, with drawbacks to both the village and the through traffic. The cities have protective safety devices, but the villages do not.

Railroad trains are superb

Frequent service, clean, on time, comfortable, the conductors are pleasant and jovial, and did the fellow-passengers in my compartment know America and make me feel welcome. Even locals, comparable to the Dinghy, leave the moment the second hand strikes departure time. The train master blows his whistle exactly five seconds before. Since the end of World War II, all railroads in Germany have been gradually electrified, with the stanchions carrying the power lines only about half as high as those of the Pennsy, with a minimum of disturbance of the country scenery.

Bus lines

I didn't notice any long distance bus lines except chartered ones. Commuter lines, state and privately owned, are so scheduled as to not compete with each other, or with trains if they parallel a rail line. These buses are comfortable though not air conditioned. Entrance is at the front, exit at right center, with baby carriage space at left center and the driver gets out of his seat to help the mother put the carriage on and off the bus. Baby and carriage ride free within city limits.

Streetcars—double and triple units are modern, excellent, a trifle slow, but always filled. The conductor sells you the ticket but you have to cancel it by inserting it in the machine. They operate much the same as the bus. Tickets are transferable within city. Bus and streetcar fares are as high or higher in Freiburg than the new subway

rates in New York. Nothing sacrosanct over there about the user of public transit.

CENTER CITY TRAFFIC

An objective of good urban highway planning is the separation of through traffic from locally destined traffic, with adequate ingress and egress points around the perimeter. In the early Fifties we had such a dream for Newark, N.J. but its realization would have necessitated knocking down valuable ratables, business and residential, besides raising a host of other community relations problems. In Freiburg, and presumably in other German cities, they have had these problems solved for them by World War II bombings. When rebuilding began, virtually from scratch, the planners concurrently provided long range traffic flow facilities, inner loops and outer loops, ingress and egress properly located, and parking, under and multi-deck, etc. They had the opportunity to go ultra modern in rebuilding their cities through proper coordination of land use and traffic management—and in Freiburg, they did.

Parking facilities are numerous, strategically located, adequate in location and size of each, some underground and some above, well managed, reasonably priced, designed with a view to internal safety for cars and people, meticulously clean, with multiple elevator banks.

No vehicular traffic is allowed in the center city except for deliveries in early morning and late evening and, of course, street cars because they run on tracks. Pedestrians use the traffic pattern to full advantage. In mid-July I saw the volume of shopper traffic that compares favorably with ours in mid-December. Hardly a week goes by that Freiburg does not stage a crowd-attracting event. If it isn't music week, it's a costumes festival, or a winefest week. Bands from the nearby villages are brought to town to keep the crowds entertained all week. The inns, and there are many of them, put up their tables in the streets, to the dismay of streetcar operators.

In Freiburg, one would cross a loop expressway at his own peril. To do so almost surely would be lethal. That's why the inner loop system expressway has under- and overpasses at high volume points, and properly timed traffic lights for crossing at grade at other points. The inner loop traffic moves efficiently, smoothly and speedily.

Abutting sidewalks have sturdy iron rails for pedestrian protection. Underpasses and overpasses were built to be used, with special consideration for the aged, the infants and the handicapped. One center city underpass had both steps and smoothly functioning escalators. Way over on one side are special steps about one and one-half feet in width flanked by two one-foot wide concrete ramps, with one ramp containing a U-shaped steel track with a three-inch gutter to guide the wheels of postmen's carts, baby carriages and wheelchairs. To help pay for these underpasses, their walls provide merchandise display windows a la Gimbels in New York between the Avenue of the Americas and Penn Station.

EUROPE BENEFITS FROM AUTOMOBILE USE

Industrially employed Europeans go on vacation in shifts. On Sunday, July 20, I found myself on the German autobahn from Basel to Frankfurt, while the first shift of these vacationers was northbound, going home, and the second shift was southbound, starting their vacations in Switzerland or Italy. German cars were outnumbered about two-to-one by those of Holland, Belgian, French and Scandinavian registry. A week before at Lake Titisee, high up in the Black Forest, a full parking lot was about equally occupied by French and German cars. And it

was amusing to me to hear Germans try their best French and vice versa....

In America, it has become fashionable to blame the automobile for many of the evils that beset us. In Europe, they have learned to blend the automobile into its proper niche within the framework of all modes of transportation. In fact, in Europe, the automobile appears to be accomplishing a goal that still eludes its politicians. It is bringing people of various nationalities together as never before.

THE WHEAT REBELLION

HON. MARK ANDREWS

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. ANDREWS of North Dakota. Mr. Speaker, I know that my colleagues representing inner city and urban areas have their share of answering the many and complex problems facing their constituents and the problems of farmers often seem far removed and unrelated to their own people. But, believe me, they are not.

It is farmers who produce food—and food is the one item in everyone's lives we must have—the poor and the rich alike.

The production of food abundance can no longer be taken for granted. Less than 2 million commercial farmers are now being asked to continue all-out production to feed a Nation of 215 million people and to export another \$22 billion more to other nations so we, in turn, can buy the crude oil to run our factories, keep the electric turbines running, and heat our homes.

Farmers, today, do not accomplish this with a mule and a plow. Today's farmers require massive amounts of capital. When farmers have been asked to plant fence to fence to meet the demands for food here at home and abroad—they have done just that, at great expense of labor and capital. They did not, I might add, do like so many other industries and operate at 50 to 75 percent of capacity and create unemployment figures of 8 and 9 percent.

And may I submit, Mr. Speaker, that had we not been able to export some \$22 billion in food to help pay for our massive imports of oil, many more factories would be running at much less capacity or would have been forced to shut down entirely. Had this happened we would not only have double-digit inflation, we would now have double-digit unemployment.

Mr. Speaker, my good friend, F. W. Denison, editor of the Towner County Record Herald, has spelled all this out in a most thoughtful editorial which I suggest is required reading for every Member of the House.

The article follows:

THE WHEAT REBELLION

"Good Evening folks: There is wonderful news tonight for the American Economy and the American Consumer. The Teamsters Union has been ordered to take a 25 percent cut in their incomes. They will continue to

load ships and drive trucks and work in the factories the same number of hours as before. They don't know how they will pay their bills with 25 percent less income, but for the good of the country and the American consumer, they will patriotically continue to give 100 percent efficiency as before. This means the battle against inflation is being won, though prices on products influenced by teamsters salaries will continue to rise. However, this is a real victory for America and the American consumers and your Labor Department is proud and happy that this has been accomplished."

Sounds impossible. You bet your life it is impossible. If the United States Labor Department handed the above release to the evening newscasters as a statement on the well being of the economy, every Union worker in the nation would walk off his job in righteous indignation.

However, that is exactly what the American farmer and the small businessman who depends on the rural economy hears day after day in pronouncements from the Eastern economists, the State Department, the politicians and even the Department of Agriculture, about their incomes. "There is good news tonight folks—in figures just released, farm prices have plunged again, and though food costs continue to rise, this means the battle against inflation is being won."

We hear no concern about how payments are to be made on skyrocketing costs in machinery, fertilizer or mortgages. We hear no concern from the Teamsters Union, whose intervention at the docks caused the embargo and loss of substantial sales overseas, as well as a sagging market. They just think they saved 1 cent on the cost of a loaf of bread.

If Mr. Meany knew of what he spoke he would be pushing all the exports possible, not only to keep the Teamsters working, but to fight unemployment of his members. Every one billion dollars of exports means 50,000 new jobs for industry, as well as the 19 percent industrial output in cars, machinery and oil consumed by American Agriculture.

If a farmer feels he is being treated like a "second class citizen" he has every right. So does every business or professional person or skilled worker in rural America who is part of the rural economy. Mr. Meany seemed to think as he made his demands, that rural America is made up of some sort of "peons" that each spring can be ordered to efficiently keep producing food for the world, mortgage their future with soaring expenses and then listen to the rest of the nation "rejoice" as the price of wheat he raises drops 25 percent.

If machinery manufacturers would accept a 25 percent cut and their employees would accept a 25 percent cut we might get somewhere. That would be news. However, they patiently point out that this is impossible because the product would cost more than they would be paid. So what is new? The farmers have been doing that for years.

There is no question Rural America is very angry. The only way they can show their indignation is to gather and draw attention to a situation they consider grossly unfair. For many years they have taken care of their soil, put in their year's labor and scraped together enough for another mortgage payment or gave up and took a job in the city when they couldn't make it.

Suddenly the price depressing government surplus stock was sold and could no longer be dumped to keep the price down. Farmers found how it felt to produce a good crop at parity price. They paid their mortgages, ordered new machinery and cars and mom got some of the furniture she had waited for. Even the government was elated that the American dollar was being propped with

grain exports which were paying for oil exports and holding down inflation.

Now respect for the skills of those who grow the food is on the back burner again & pronouncements are pouring forth from the "experts." Meany, in a foreign policy speech, demands we "refuse to sell wheat to Russia to punish them." Congressman Jackson demands we use wheat to make the Russians change their immigration policies and Candidate Reagan feels we should "withhold our wheat" and bring the hungry into line."

The Russians have been listening and have turned to Canada which has now disposed of most of this year's crop at \$5 and \$6 a bushel and committed part of next years. Russians are pleased they do not have to pay the extra \$16 a ton to the Teamsters Union for loading their grain. Australia is bringing in the biggest wheat crop in history and want to sell it. So is Argentina. Still the politicians babble on, with so little knowledge of the stamina of the Russian people that they do not realize they are used to hardship and their leadership will let them go without before they get pushed around.

Farmers are beginning to gather and shout that it is their wheat that is being discussed and if they don't care to sell it, they won't. When nearly 10 percent of the farmers in North Dakota turn up at a meeting in Camrington and much larger percentages are gathering in dozens of community sessions, they certainly mean business. For the first time in our memory in Cando the Farmers Union, the Farm Bureau and the NFO were under one roof and managed to keep their silence about their own particular philosophy long enough to be willing to discuss what is best for the "wheat producer" regardless of his politics. This alone is a miracle.

However, it is going to take some very cool heads, if farmers feeling their power, do not cut off their noses to spite their faces. Groups such as the Wheat Commission have labored for a decade to build up export markets and are concerned that farmers must be ready to fulfill these commitments or lose the market. Price should be no problem if they accept the \$5 a bushel as parity which has tentatively been set as a reasonable cost-plus goal, for it has been paid to other exporters. Our food is a weapon for Peace but the battle for Peace must be fought and paid for by more than one segment of the economy. No price cutting in the weapons factories is noticed.

There will be a meeting January 26-27 at Jamestown and we hope every farmer who can will be there. North Dakota is the top Durum, and hard wheat, barley and flax producer in the nation. An impressive number of concerned people might make the Washington politicians and economists sit up and take notice that the "peasants" who grow their food are just as intelligent, just as informed and just as patriotic as they are.

They may also become aware that what they are talking about is still the farmers wheat and it is still in the farmers granaries. They may also realize that it will be the farmers decision alone how much wheat will be planted next year. If they feel this price uncertainty and manipulation will continue, there will certainly be less acreage risked.

This nation depends on the farmers know-how, their land and their equipment as does the hungry world. This time farmers are not begging the government for a support floor to squeeze through another year, and subsidize the consumer of food. They are demanding that they be considered first class citizens—just like anyone else.

TRANSPORTATION IS PRIME CONCERN OF OLDER AMERICANS

HON. MICHAEL T. BLOUIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. BLOUIN. Mr. Speaker, last Thursday I had the distinct privilege to testify before the Subcommittee on Federal, State, and Community Services of the House Select Committee on Aging. As you may know, the subcommittee has opened a series of hearings on the very critical problem of transportation for older Americans.

Because of my work on the Retirement Income Subcommittee of the Select Committee and the conclusions of a recent Intergovernmental Conference on Transportation for the Elderly which I sponsored in Iowa, I was able to share with the subcommittee some suggestions and ideas which I think deserve our closest attention.

Because I know many of my colleagues in the House are also very concerned about the problem of elderly transportation, I would like to share those remarks with them in the hope that we may stimulate a serious and concerned discussion within the Congress on this issue and the legislation which we need to solve the problem.

Mr. Speaker, the text of my testimony to the subcommittee follows:

As many of you know from our work together on the Aging Committee, I am especially concerned, as I know you are, with the problems of older Americans. And it is clear that older Americans have no greater problem than adequate transportation. It is a problem which overwhelms all other problems (and that list of problems is lengthy). It is a problem which necessarily supersedes all those other problems.

We are particularly aware of that problem in Iowa because ours is a predominantly rural State and a State with an unusually high percentage of elderly citizens, many of whom live in rural areas and small towns. According to the latest census statistics, there are an estimated 372,000 Iowans over age 65. Out of a total State population of about 2.9 million, the number of elderly citizens over age 65 is about 12½ percent which ranks Iowa third among all the States in per capita population over age 65.

In Iowa, as in most predominantly rural States, we have witnessed the deterioration or discontinuation of traditional modes of transportation which elderly residents could once depend upon.

On the one hand, we face a general but deliberate decline in rail service. On the other, we are left with a rural road and highway network that is at best unmodern and at worst outright unsafe. The discontinuation of other forms of public transportation have deprived rural Iowans—especially elderly citizens—of viable and reliable forms of transportation above and beyond the private car.

Automobiles are a form of transportation which is becoming increasingly more expensive and, for that reason, increasingly less viable for elderly people. To give you some idea of the problem which elderly people face in a rural State like Iowa, an analysis of the latest census figures reveals that 54 of the State's 99 counties report that

over ten percent of households have no car at all. In effect, in these rural counties a significant portion of the population has virtually no immediate access to transportation of any kind. In addition, the statistics show that 70 percent of Iowa's households have access to no more than one car. In a rural area, with no access to public transportation, the limitation of one car is often a severe transportation handicap.

I cite these figures because I suspect that Iowa is no more and certainly no less typical of many States where transportation services for elderly citizens are practically nonexistent.

It was no surprise to me that, when the Select Committee's Retirement Income Subcommittee held hearings in Iowa last August, we heard from witness after witness who testified to the fact that there is no problem more serious or more critical than transportation for senior Americans. The record of these hearings, which is now available in printed form, is a clear indication of the problem and the challenge we face in designing, developing and implementing an effective, efficient, workable transportation network for older Americans.

More recently, my office sponsored and coordinated a statewide Inter-Governmental Conference on Transportation for the Elderly in Iowa. This conference of Federal, State, and local government officials, representatives of major social services agencies and senior citizens' organizations, and individual senior citizens themselves discussed the problems of transportation for two days and developed a series of policy recommendations which they think will most effectively address a solution to the problem.

I am here today not only to express my own deep, personal concern about the problems of transportation for senior citizens, but also to submit for your consideration the recommendations and suggestions made by our Iowa conference. While I personally have reservations about some aspects of the recommendations, I think you will find them perceptive, informative and helpful in considering not only the problem, but even more importantly, in developing solutions to the problem.

I am submitting a copy of the conference recommendations for the record. Let me note, in passing, that the recommendations speak to some of the most obvious and most serious problems which I think we encounter in current and future efforts to remedy the elderly transportation problem.

To the best of my knowledge there are some 28 different Federal programs which provide funding for transportation systems for elderly and handicapped people. The programs are authorized by a variety of laws, are administered by a variety of agencies and are designed to cope with a variety of very specific, very specialized situations—all of which leads to a wide variety of individual programs, all necessarily small, specialized targeted for specific populations and poorly funded. As a result of legislative or regulatory constraints, these programs are either unable or reluctant to pool resources and coordinate services. Consequently, it's not surprising that they are unable to provide more efficient and more effective transportation services for senior citizens. The Iowa conference recommends, as a primary goal, that we pool funding sources under one agency, such as the Department of Transportation.

Secondly, the conference recognized that a major problem, in addition to the duplication of funding resources, is the lack of on-going operating funds. Current legislation almost exclusively underwrites initial capital expenditures but provides little on-going

monies. This is crucial, as the conference points out, because almost 80 percent of total expenditures for special transportation systems are earmarked for operating expenses.

Let me underscore the significance of this problem with an example from my own district:

Local governments in a seven-county area around Cedar Rapids, Iowa, developed a coordinated and, it seemed to me, a highly sophisticated transportation program called "S.E.A.T.S.," with funding from title 3 of the Older Americans Act. The initial funding was for a start-up and a 6-month pilot program. It proved just enough to get things going—to give elderly residents in this part of the State a taste of what kind of transportation services could be provided if local governments worked together and had the money to do the job.

Unfortunately, this program was forced to shut down entirely last summer because its initial funding ran out and additional, on-going support was not available.

Local governments have been struggling since August to patch up the program, or substitute local efforts, but they face almost insurmountable problems of a logistic and financial nature. And even if they are able to develop local alternatives, they will lack the coordination and the sophistication of the original, multi-county program. It is easy for us here to look on the situation as an unfortunate shame, but for the 30,000-plus elderly residents who used this program, its collapse was nothing short of a very real tragedy.

This is the type of problem we face, nationwide, because of inadequate funding and an obvious reason why the Iowa conference recommended that funding programs be expanded to include operating expenses.

The conference makes a number of other recommendations. It includes a suggestion that we should not overlook the potential and possibilities of including private transportation systems in any broad-range special transportation programs; and it recommends that we not overlook the possibilities of school bus systems. On this point, I think it is important to note that we might all learn some very important lessons from school districts which have developed an expertise in special transportation. They do the job and they do it quickly and efficiently twice each day.

I am hopeful then, that the recommendations from our Iowa conference will be helpful to you. For my part, I found them very constructive, and I am working now on legislation which will embody their suggestions and which will deal with the critical problem of transportation programs for elderly Americans. I am hopeful that at some point in the near future I will have the opportunity to meet with you again to discuss this legislation and to work with you and the full committee, as well as the other appropriate committees of the House.

Transportation is a critical problem for older Americans. We all know that.

It is the number one problem of elderly people.

Without adequate transportation, older Americans cannot take advantage of the health services or the variety of social services which are available to them. Without adequate transportation, they are left literally isolated in their homes, deprived and denied a full participation in the social, political, and economic affairs of their communities.

It becomes imperative that we move with as much speed and dispatch as the legislative process allows to liberate elderly citizens from the loneliness and the isolation which their immobility imposes.

AN OVERVIEW OF THE ECONOMY OF THE DISTRICT OF COLUMBIA

HON. B. F. SISK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. SISK. Mr. Speaker, we have all struggled with the question of how to revitalize our cities. The Federal Government has poured billions of dollars into the cities to arrest decay and deterioration.

Too often, however, we have fallen short in our efforts, and urban areas have developed sores for which we have come to believe there are no cures. The success or failure of our urban efforts depend in large measure, of course, on the attitudes of local businessmen and officials.

I was pleased, therefore, to have the opportunity a few days ago to read a report on the economy of the District of Columbia and, more importantly, on what can be done to revitalize the Nation's Capital.

This was a talk by Knox Banner of the National Capital Downtown Committee before the members of the Voice of Informed Community Expression—VOICE. As a former subcommittee chairman of the Committee on the District of Columbia, I have known Knox for a number of years and have come to admire his determination to make the District a model city.

What is important about the report Knox made, I think, is that he and the National Capital Downtown Committee acknowledge there are serious problems, but they have the will to overcome them in cooperation with the Mayor and the Council of the District of Columbia.

I believe it would be useful, therefore, to have the report printed in the CONGRESSIONAL RECORD so that all my colleagues may have the opportunity to review it.

AN OVERVIEW OF THE ECONOMY OF THE DISTRICT OF COLUMBIA AT VOICE, MEMBERSHIP MEETING (VOICE OF INFORMED COMMUNITY EXPRESSION)

As in all other cities in the nation, the District of Columbia and its people are experiencing economic difficulties which stem from the problems of the national economy. Inflation and unemployment are major concerns across the country. Washington has felt the sting of inflation, particularly in terms of the greater cost of housing. And there is increased unemployment, especially among young blacks. But while these problems are a great concern to all, it must be noted that Washington has not experienced the same depth of difficulties as most other major central cities due largely to the insulated nature of the local economy, still dominated as it is by government employment. (Please note that this observation is not very meaningful to the individual who is unemployed.) Many feel that the overall economic picture is not bright, despite the pronouncements by various national leaders. This affects all aspects of the local economy, of course, and it is not much comfort that the depth of our difficulties is not so great as in other major cities.

The District of Columbia continues to lose

population. This is consistent with national trends wherein population continues to be concentrated in greater and greater numbers in metropolitan areas but at the same time is decentralizing (suburbanizing) within those major population centers. From 1973 to 1974, the District's population declined by 9,000 persons and now totals approximately 723,000. But interestingly and significantly, during the same time period, the number of households in the city rose by 5,000 to a total of 277,000. It is this rise in number of households and their generally upper income nature which provides cause for judicious optimism regarding the city's economic future. Average household income in the District was \$15,686 after taxes in 1974. This is more than 14% above the national average.

Coupled with this is the beginning of a trend back to the city and specifically back to in and near downtown among predominantly young individuals and families plus so-called "empty nesters." The trend is aided, in part, by no-growth policies in the suburbs and by the environmental and energy situation. The increase in the number of households and the back-to-downtown movement create a base for the construction of new housing, rehabilitation of existing housing, improved business opportunities, and greater tax revenues for the city. But these good things for the local economy are related to positive and prompt actions which must be taken by the District Government and others to strengthen the trends and take full advantage of them.

For example, there is a need for an approach to solving some of our financial problems and municipal services on a metropolitan basis. One example could be a regional sales tax to help finance METRO.

For example, long-range positive rather than negative answers must be developed and used intelligently and intensively to increase and improve the housing supply. The city's rent control regulations, its ban on condominium conversion, and its intentions to strictly control rehabilitation resale have produced a virtual end to new residential construction, and prospects for abandonment are increasing. The result is a growing housing shortage at the very time that demand is mounting due to the growing number of households and the back-to-the-city movement.

There may be little question that these latter negative actions on the part of the District Government have merit—at least on a short range basis—from a non-economic point of view, but in terms of economics, they are largely self-defeating. The physical, social, and economic health and vitality of the city are intertwined. There should be much cause for concern if a balanced approach considering economics is not taken on a long range basis in dealing with housing and business enterprise.

A positive trend for the District which pertains to this overview is Washington's growing dominance as the center for association activities in the nation—Washington now surpasses New York and Chicago. In 1972, approximately 40,000 persons were employed in association work here with about three-fourths of these being located in the District. Associations, along with professionals, account for much of the office space demand in the city.

In turn, the creation of office space produces revenues for the District and helps assure an increasing employee population which supports retail and service uses, thus having a multiplier effect. Various sources on the subject of office space have projected a short term excess of office space supply over demand, resulting in a higher than normal vacancy rate for office space in the District of Columbia in the immediate future. While this is of concern, a vacancy rate of 8% or

9%—up from less than 2%—is still favorable by comparison to other major cities. Again our insulated economy has come to our aid.

Moving now to specific actions being taken and to be taken to advance the local economy, here is a synopsis:

METRO—while further delayed—should begin operating shortly. Projected to return three dollars for each dollar spent on its construction, METRO will surely—whatever the benefit figures turn out to be—greatly enhance development potential, business activity, and public tax revenues.

The Bicentennial—At the price of some inconvenience, congestion, and environmental difficulties, the city should benefit to a considerable extent economically from the additional millions of people coming to Washington in 1976. The magnitude of the benefits as well as of the difficulties relates closely to the quality of the preparations now underway, of course.

Pennsylvania Avenue Redevelopment—With the plan now approved by Congress and the White House apparently looking favorably upon the revitalization proposals contained in it, the District should enjoy an economic stimulus because of Pennsylvania Avenue redevelopment.

Civic Center—with new awareness of the need to identify and develop additional sources of revenue for the city, fresh interest is being expressed in development of a civic center in Downtown. And the economic spin-off will be substantial. The city's business community has staunchly supported development of a civic center as the single most important remaining public facility needed to help spark the local economy and assist in Downtown revitalization.

Let me summarize and emphasize. Over the past two decades throughout the United States, there has been increasing cooperation between the public and the private sectors in working to solve urban problems. In the older downtown of the District of Columbia between the White House and The Capitol, this has been exemplified by the work of Downtown Progress and of other business and civic organizations with all levels and branches of government here. Business leaders have contributed both time and supporting funds to these organizations to help improve the economic vitality and the quality of life in this part of the District of Columbia.

Substantial progress has been made, but much remains to be done. From the doldrums of the forties and fifties, the old downtown since 1960 has nearly a billion dollars in private and public development completed, underway, or scheduled to begin. This totals nearly 20 million gross square feet. The new opportunities afforded by Home Rule can increase the effectiveness of this public-private effort if both government and business work even harder at it.

Business generally is re-examining its role and its responsibilities, and the District of Columbia government is doing the same. Together, we must achieve:

- A sound tax program.
- A balanced budget as responsive as possible to local needs.
- Essential public services.
- Improved housing supply.
- Increased employment and business opportunities.
- An improved educational system at all levels.

Safety and security in the street, home, and place of business.

While these goals may be defined somewhat differently depending on who is doing the defining, it seems to me that we need to be aware of a number of potential obstacles to achieving these goals, including:

For example, tax programs which tend to

drive out business rather than to attract additional business which would bring increased revenues and increased employment;

For example, the lack of positive encouragement of private development which will enhance the tax base;

For example, rent control and a freeze on condominium conversions which continue past an emergency period during which positive rather than negative solutions should be developed;

For example, a criminal justice system that fails to function more effectively in both preventive and rehabilitative aspects;

For example, a public review process in which a vocal few can stop any development—public or private—no matter how useful it may be to achieving community goals.

We must overcome these obstacles. The opportunities are here for accomplishment and success by the combined effort of the public and private sectors to make a better city for all of us.

As the national economy improves, the District of Columbia—we all of us—must be ready to make the most of the opportunities for our city.

MR. FORD, BACKSTAGE

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. CARTER. Mr. Speaker. Our Nation is fortunate to have as its President a man who, as an adopted son of middle-class origins, achieved the offices and honors he has been accorded through hard and diligent work while retaining his humaneness.

I myself have known Jerry Ford for many years, and I have known him to be an honest, intelligent, and good-hearted human being. For those of us who have served with him here in the House it is little surprising, perhaps, to read of examples of his decency and considerateness as President. However, there are those who have not had the pleasure of working side-by-side with him, and to those I commend an article by columnist Jack Anderson which appeared in the January 25 edition of the Washington Post.

Article follows:

MR. FORD, BACKSTAGE

(By Jack Anderson)

The experience of ascending the pinnacle of power can change a man.

At the President's beck, civilian and military leaders gather to listen to his counsel. Assistants materialize at the press of a buzzer; military aides attend him; servants cater to his whims. It is enough to turn the head of a saint.

We consulted our backstairs White House sources, therefore, to find out what effect his heady experience has had on Gerald Ford. He is still the same plodding, unpretentious guy.

There is an average-American quality about him, an easiness of manner, an engaging sincerity. He hulks through the White House corridors, full of friendliness, taking a personal interest in the lowliest secretaries and domestics.

In the backrooms, he has an easy, locker-room camaraderie with men, a courteous graciousness toward women. During the social hour, he often mixes drinks for his guests

rather than wait for a White House steward to serve them.

Ford's favorite pet is a golden retriever named Liberty. On Christmas Day, 1974, Liberty had an accident on the presidential rug. Stewards rushed to clean up her mess, but Ford waved them away. He got up from his Christmas dinner and cleaned the rug himself. "No one should have to clean up after someone else's dog," he said.

White House workers like to take Liberty out for walks, but the President doesn't feel dog-walking is part of their job. When other family members don't walk Liberty, Ford tries to do it himself.

Once, in the middle of the night, the President of the United States, with a massive staff at his call, quietly slipped out of bed, put on a bathrobe and led Liberty outside to answer nature's call.

Ford's worst two days in the White House began on the dark, rainy Friday that his wife went into the hospital for a cancer operation. Out of a sense of duty, the President sat through an economic conference he could have avoided.

He also kept a commitment to speak at the closing session the following morning while his wife underwent surgery. His only concession to his personal feelings was to cut the speech short. Between visits to the hospital, he also kept appointments with important foreign dignitaries.

Our sources remember it was a gloomy, depressing time, with the President scarcely hiding his anxiety. At the end of his most arduous hours, he was escorted to the White House elevator by Richard Keiser, his Secret Service look-alike, and Major Robert Barrett, the military aide. Both men shared the same grim mood.

Still, just before the elevator door shut to take the President upstairs to the living quarters, he interrupted his personal thoughts and spoke quietly to his two escorts. "Thank you, Bob. Thank you, Dick," murmured Gerald Ford.

At the end of a presidential flight, he makes it a point to poke his head into the cockpit and thank his pilots. On a trip back from Detroit, it was raining too heavily at Andrews Air Force base for the President to take the customary helicopter hop to the White House. He headed for the backup limousine for the drive to the White House.

Suddenly, he noticed the helicopter, which had been standing by. He turned abruptly, walked through the rain to the helicopter and thrust his head inside to thank the astonished crew for waiting.

Those who know Ford intimately say he is a most considerate and compassionate person. On a visit to Los Angeles, he stayed in an upper floor of the Century Plaza hotel. During a ride downstairs to a press conference, the elevator began to malfunction, shutting up and down. The President's aides grew nervous, and the elevator operator was terrified. Ford calmed him down, saying quietly: "Don't worry, it will work. You'll get us there."

When Sen. Ted Kennedy's son went to the hospital for a bone cancer operation, the President placed a private call to Kennedy to inquire about the outcome and to express his personal good wishes.

When Jordan's King Hussein visited the White House on April 29, 1975, Ford invited Sen. George McGovern, D-S.D., to the formal state dinner. McGovern, a pariah to previous White House occupants was deeply moved by Ford's gesture.

During the dinner, the Republican President went to McGovern and told the 1972 Democratic standard bearer: "No matter what, this house belongs to everyone, now more than ever."

During the Greek-Turkish crisis, the Presi-

dent visited Chicago to speak to the Veterans of Foreign Wars. Greek-Americans who disagreed with his foreign policy gathered outside his Chicago hotel to chant their disapproval. Upstairs in the presidential suite, an associate remarked to Ford: "That must really bug you."

"No," replied the President as he watched the protesters, "they're good people. I can understand their feelings. They are my friends."

There is nothing suave or subtle about Gerald Ford—none of those sophisticated mannerisms which Americans are inclined to distrust. One of the first pictures the White House released of him showed the new President working with one foot propped on his desk. Most of his predecessors took themselves much too seriously to permit a picture of such relaxed informality. But Ford has brought a warmth to an office which in less than a decade had gone from the chicness of Camelot to the deviousness of Byzantium.

UNITED STATES SHOULD STAY CLEAR OF THE WAR IN ANGOLA

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. EVINS of Tennessee. Mr. Speaker, the Nashville Tennessean in a recent editorial entitled "United States Should Stay Clear of the War in Angola" pointed out that much the same rationale is being used by the administration for involvement in Angola as was used for involvement in Vietnam.

Mr. Speaker, we do not need any more Vietnams—we should not expend priceless manpower and vital military supplies in another fruitless foreign adventure.

The Tennessean drew this conclusion: "The proper course for this country is to keep pressing for an end to all foreign intervention and all foreign arms aid."

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

The editorial follows:

[From the Nashville Tennessean, Jan. 11, 1976]

UNITED STATES SHOULD STAY CLEAR OF THE WAR IN ANGOLA

The experiment called detente, which was begun with such high hopes in 1969, may be coming apart as a result of disagreements and the war in Angola.

Moscow and Washington are given to sharp comments these days about each other and are at odds on every major issue from strategic arms to Africa.

The Angolan crisis, with continued Soviet arms shipments and Cuban military intervention, is hot and it could explode into a major regional conflict. It is already complicated and confused, with three separate Angolan groups fighting each other.

The United States was covertly helping the groups fighting the Soviet-backed Popular Movement until the U.S. Senate voted to end such aid once the \$8.2 million left in the pipeline was used up.

The rationale for U.S. aid was that it might be possible to counter the Popular Movement and thus bring a military stalemate which

would force a negotiated settlement among the fighting Angolan factions. Not to do so, officials warned privately, would be to let the Russians win control over Angola and with it a potentially dominant voice in determining the future of Southern Africa.

If one goes back in time, much the same rationale was used in the early stages of Vietnam. But that conflict turned out to be a quagmire that, as the U.S. pushed farther into it, only engulfed the nation more.

The Ford administration may have forgotten, but the Senate had not. And its action presented the administration with a dilemma and provoked some awkward explanations.

To charges that the U.S. was training foreign mercenaries to fight in Angola, President Ford said it wasn't, but he would not deny that the government is providing money for such training. He said that "We are working with other countries that feel they have an interest in giving the Angolans an opportunity to make the decision for themselves. . . ."

The problem for the U.S. is that, even if it could turn the tide, it would not gain much. In the first place, it ended up on the same side as South Africa in opposing the Marxist-oriented Popular Movement. That is anathema to most African leaders.

In the second place, all three Angolan groups which had fought for independence from Portugal for 14 years, recall only too vividly that the U.S. turned a deaf ear to them in the past while it actively supported the Salazar-Caetano regimes.

It is easy enough to see why white-ruled South Africa and Rhodesia have the jitters about the Angolan war and the prospects that the Soviet might become the activist bridgehead to all sorts of future difficulties. But for the U.S. to become partners in adventure with these nations almost surely would shrivel what influence this country has with the African nations.

The proper course for this country is to keep pressing for an end to all foreign intervention and all foreign arms aid. It should not get caught in a quagmire that could ultimately be far deeper than Vietnam, and involve Zaire, the Congo Republic, Zambia and South Africa.

It is not in Africa's best interests to have its political problems solved by foreigners, or its wars decided by foreign arms. That should be Mr. Ford's message to Africa, and his message to the Soviet should be for it to leave Angola alone.

He has already made the point that continued Soviet intervention there would damage its "broader relations" with this country. He should reiterate that. If that further chills detente, then the object lesson must be that the Soviet didn't place too much value on it anyway.

THE PRESS: REPORTER OR MAKER OF HISTORY?

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. KETCHUM. Mr. Speaker, recently a young constituent of mine delivered a most moving speech at the Bicentennial Americanism Forum in Bakersfield, Calif. Ramona Cappello, my constituent, has indeed made a good case for a free press. I am most proud of Ramona for her statement, and know that my colleagues

will enjoy being able to share her thoughts. Perhaps before we criticize the press, we should think twice about her statement.

The article follows:

THE PRESS: REPORTER OR MAKER OF HISTORY?
(By Ramona Cappello)

Extra! Extra! Read All About It! (pause) Read all about it. No longer is the statesman, the doctor, the lawyer, or even the Indian chief clothed with the protection of office or special education, for every reading man is now his own judge. And how do we come by this powerful knowledge? What gunpowder did for war, the printing press did for our mind!

Yes, the insatiable thirst of the American people has cried out for information and communication. But our press has become mislabeled by the opinion that it makes the news rather than reports it. It is fact that every great writer is a writer of history; history has its foreground and its background, and in managing its perspective, artists will differ from one another. Press writers differ too, but we must not confuse them with the historians, nor with the role of making tomorrow's history happen!

News media does not make history—people make history! People create a free press, a free press creates the writer, the writer records history—but the three (the people, the press and the historian), are not one and the same!

Permit me please to trace our role of the free press so that you might hopefully agree with me that the press does indeed report, not make history!

We are not unlike our forefathers who desired the written word as a part of their daily lives. Starting with the "Bay Psalm Book", colonial publishing flourished in 1640 when chronicles, histories, and travel accounts were printed.

It took half a century after the first printing press for newspapers to appear. The public was avid for news, but government officials were extremely touchy and reacted violently to criticism. Printers who ventured, and very much wanted to tell the truth, faced loss of business, revocation of their licenses and even jail sentences. Benjamin Harris had been imprisoned in Britain for criticizing the King. Harris' "Publick Occurrences" was suppressed four days after its initial appearance in 1690 for daring to report that the English armed forces had allied themselves with "miserable savages".

But then the press rose to new heights of power as Congress became more complex in the early 1800s, thriving on the public's growing appetite for political news.

Something new was added at the turn of the 19th century... a method of reproducing pictures from stone. Political handbills began to show up across the nation and by 1830, the cartoon became a deadly weapon of political warfare.

One cartoon stands out in my mind. It was called "Joshua Commanding the Sun to Stand Still". Joshua was the 1828 Vice Presidential candidate John C. Calhoun, and the sun was the printing press, whom he tried to halt unsuccessfully. Later he had the opportunity to regret the power of the press in the ultimate struggles over slavery which Calhoun favored when he fought to allow Carolina to remain a slave state.

As we trace the development of the powerful new illustrated press, we become aware that newspapers developed a vested interest in catastrophe. If they could spot a fight, they would play up that fight. If they could uncover a tragedy, they would headline that tragedy. Again, we are reminded that the press did not create the tragedy, nor the

event publicized, but rather had the freedom to transmit it to the readers. Let it be impressed upon our minds, that the liberty of the press is the palladium of all the civil, political and religious rights. Whether it was reporting news, or creating a furor by doing this, there was always blame to expect. And such was the effect of the event recorded at Harper's Ferry:

An old man named John Brown led a one-man battle against slavery... at Harper's Ferry in 1859. It was a bloody senseless slaughter, and John, the lone survivor, lived only long enough to attend his trial in a hospital cot, followed by his public execution at the gallows. He was a renegade who cold-bloodedly presided over the butchering of five innocent men... and so history has reported it in spite of the fact that the Union chose to make John Brown the symbol of their fight against human bondage. They had help too: from Ralph Waldo Emerson who wrote, "That new saint will make the gallows glorious like the Cross". Not long after, Northern soldiers marched off to war to the tune of "John Brown's body lies a-mouldering in the grave, but his soul goes marching on." Glory, glory, halleluia... what greater case in the young history of the American press did there exist but the creating of a saint by famous Northern artists and writers (such as Horace Greeley) who were not even present! Yet, history books clearly report that then, as now, the truth of John Brown's incident at Harper's Ferry was an historical event truthfully reported, NOT CREATED by the press. If the criminal John Brown emerged a saint, the Northern people created it because they needed a crutch to further their anti-slavery cause.

Next, let's look to the Watergate scandal... and at last, the truth has come out. Mr. terHorst was the White House press secretary for a short time under President Ford. When asked why the Washington press corps drove Nixon out of office, Mr. terHorst replied that it was not the media but his own miserable White House tapes! The press did not invent the Watergate burglary, the hush money or the cover-up lies that former Nixon aides now admit telling.

When asked why the press reports so much bad news, terHorst answered that almost by definition, news concerns things that go wrong in our lives. A housewife chatting with her neighbor wouldn't expound on the magnificent breakfast she fixed. No, it is more likely to be a report on the toaster that broke, or the washer that leaked, or about the school bus that came too early.

Naturally, some events do get more attention, because they warrant it... I'm sure Bob Woodward and Carl Bernstein pursued their splendid Watergate coverage with more zeal than they would have unraveling the Bobby Baker affair in Lyndon Johnson's era, or the Ted Kennedy scandal (which didn't concern a change of Presidents). The media did not pick and choose "history-making news"... they chose to report that which was larger and more important to vaster numbers of people.

It is not new to admit that the public eyes the media with unhealthy suspicion. This is truly often based on a misconception of the role of the press.

Under the First Amendment, the press was institutionalized "as a part of the private sector that has a 'governmental' role to play". It has a duty to inform the people of governmental actions and thinking on public issues. Wouldn't it help if this idea of a free press were accepted, or at least understood by everyone as affects!

It's really beyond the reporting-function of the press to consider whether the information is good or bad news.

Debating of the merits of decisions is

within the editorial province of the free press. We must not confuse the role of the reporter with that of the editor or commentator, nor blame a newspaper for creating a situation when it is in reality reporting it, or editorializing on it.

We must also realize that a truly free press has no obligation to support government policy. To be fair, it has an obligation to do the opposite: to refrain from support! Otherwise, what have we got but another Nazi propaganda machine in our American government! Bill Moyers, who preceded Mr. terHorst, used to say that the press's role is that of scrutinizing, debating and giving the public a chance to decide for itself whether the government made the right decision or not.

In all fairness to the press, mention should be made here pertaining to the time limit devoted to covering a crucial, complicated subject.

We are spoiled with the availability of up-to-the-minute news, and have come to expect, yes, demand it! Well, when we get it, we also are endangering the reliability and accurateness of it because some subjects cannot be fairly reported in 30 second news flashes! This approach is fine for eruptive news, such as a death of a leader such as Spain's Generalissimo Franco, or the vast forest fires in San Bernardino County, or the results of the Rose Bowl game, but it cannot lead to an understanding of complex events!

We Americans are up to our necks in domestic and world problems, but we are fortunate in having a constant flow of accurate information which can produce a genuine understanding of issues. This has been the legacy of a free press in an open society... a benefit from the "reporters" of history. (pause)

In closing permit me to reflect for a moment on the words of English statesman Benjamin Disraeli: "The press is not only free, it is powerful"; he added, "That power is ours. It is the proudest that man can enjoy. It was not granted by monarchs; it was not gained for us by aristocrats; but it sprang from the people, and with an immortal instinct, it has always worked for the people."

AID TO CHILE

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, January 26, 1976

Mr. HARRINGTON. Mr. Speaker, despite repeated attempts by Congress in the post-Allende era to reduce the level of U.S. assistance to the Chilean junta, Chile continues to rank as a major Latin American recipient of U.S. economic and military aid.

By circumventing the initial 1974 ceiling amendment of \$25 million on economic aid to Chile, the administration in 1975 managed to funnel aid through several bilateral aid programs not specifically subject to congressional control. The \$91 million in total bilateral economic assistance dispensed to Chile in 1975 was over twice that furnished to the next largest recipient of U.S. aid and almost three times the amount allocated to the majority of Latin American countries, including those presently designated by the United States as being "most severely affected"—MSA. And with the adoption of the Kennedy ceil-

ing amendment in this year's foreign economic aid bill, the level of total economic aid to Chile for 1976 will still exceed \$90 million, leaving unaltered Chile's status as the prime recipient of U.S. economic aid in the hemisphere.

Not included in these figures, moreover, is the loan support provided by multilateral lending institutions totaling \$111 million in 1974 and \$90 million in 1975. Nor do they indicate the massive indirect aid that has been provided through the rarely used mechanism of debt rescheduling. In 1974 and 1975, the United States signed bilateral agreements rescheduling the Chilean international debt for \$136 million and \$95 million, respectively. One should also bear in mind, moreover, that these aid figures are exclusive of contracts signed for military assistance yet to be delivered. Finally, as if all of the above were insufficient, the administration has also quietly offered to guarantee a \$55 million housing loan to Chile from the Federal Home Loan Bank of New York.

The magnitude of our current Chilean aid program stands in stark contrast to the aid aggregate provided the Allende regime, at which time it was the administration's intent to "make the economy scream." In 1973, the level of total economic aid to Chile dwindled to a low of \$3.8 million while military aid was maintained at \$15 million.

Given such a massive infusion of aid in clear contradiction of the intent of congressional aid limitations and recent human rights amendments, through the administration's almost total reliance upon aid channels not subject to congressional scrutiny, one is led to the conclusion that present policy toward Chile is as calculated and deceptive in character as the covert "destabilization" policies of the past. And, I might add, these specific aid programs are utilized not necessarily because of Chile's overwhelming need for, say, 350 million tons of agricultural commodities, but rather because they provide a means for implementing a policy of support that has to be neither justified to nor debated by the Congress. In this way the administration can pursue its policy of unwavering support of the junta as if the legislative mandates on the issue were nonexistent.

Of the aid mechanisms presently employed by the administration that are currently beyond congressional control, Food for Peace is the most familiar. This past year, in an effort analogous to last year's blatantly political use of Food for Peace in which 50 percent of all U.S. food aid was diverted to just two countries, Cambodia and Vietnam, in a last minute subsidy of the war effort, the administration allocated to Chile—a non-MSA—83 percent—\$57.8 million—of the total title I Food for Peace assistance for all of Latin America. For 1976, Chile has been allocated 85 percent—\$55.1 million—of the total, of which \$45.7 million has already been delivered. Honduras and Haiti, both MSA's, received 10 and 5 percent, respectively. Since Food for Peace commodities are sold in the host country—rather than donated—and thus rarely reach the poorest sectors in the

recipient country, the aid is generally regarded as provided for political rather than humanitarian purposes. And, even more to the point, the sale of the commodities within the host country provides that government with local currency, thereby allowing them to conserve scarce foreign exchange for the purchase of other priority items on the international market, such as defense articles.

Not surprisingly, Chile in 1974 became the major customer in Latin America for U.S. weapons by ordering \$75 million in defense articles, in excess of Brazil's orders by \$6 million. In the same year, Chile's arms purchases from other countries exceeded \$105 million. Included in this figure was \$40 million for T-25 fighters from Brazil, \$400,000 for anti-tank rockets from France, \$66 million for two coastal submarines from West Germany, and \$1 million in aerial bombs from Spain. Thus, in 1974 alone, Chile's international arms purchases exceeded \$170 million and partially contributed to the 300 percent increase in the junta's military budget.

All of the 1974 U.S. orders, and more, is scheduled to flow into Chile either in the current fiscal year or beyond, for the State Department has been interpreting the ban on military aid enacted December 30, 1974, to mean that orders or agreements made prior to this date—or "already in the pipeline"—will be allowed to stand and deliveries of pipeline assistance will continue on schedule. In the first half of 1975, for example, despite the ban on military aid, Chile received about \$14 million in defense articles under the foreign military sales program and \$650,000 in military training under the military assistance program. In addition, the Chilean Government purchased almost \$2 million in defense articles from private U.S. firms under the commercial sales program, purchases not prohibited by present legislation. Consequently, in the absence of any legislative action this year, all military aid already in the pipeline will be delivered in 1976 and beyond, commercial sales will continue, and cash sales under the FMS will resume.

According to the Department of Defense, the amount of military aid still in the pipeline as of September 30, 1975, totaled \$102,754,000 in foreign military sales items and \$14,000 under the military assistance program. More specifically, scheduled for delivery this spring are 18 Northrop F-5E Tiger II fighters—about \$60 million in arms. With this on-schedule delivery alone, Chile will again rank, along with Brazil, as a major Latin American recipient of U.S. arms in 1976.

In addition, arms for cash in all probability will resume as soon as the mechanics of signing new contracts can be ironed out by the administration. The State Department's latest position on the issue holds that the ban on cash sales came to an end at the close of the fiscal year—June 30, 1975—and thus the sales could resume since no congressional authorization would be required for the transaction. Clearly, we are led to the rather obvious conclusion that, as they now stand, present legislative restrictions

will have virtually no impact whatsoever on the flow of arms to Chile in the current fiscal year.

During the markup of the 1976 international security assistance bill therefore, it is my intention to offer an amendment that would, to a degree, bring under congressional control the level of aid currently contemplated for Chile. It seems to me that there exists a critical distinction between policies designed to provide a modicum of support to developing countries as an expression of humanitarian concern, and those devised to funnel virtually every available means of aid to prop up a dictatorial regime, the latter, a policy erroneously perceived as enhancing our own national security. Is it toward the former policy that my amendment is geared.

As it now stands, my amendment reduces the total amount of economic assistance for fiscal year 1976 to \$70.7 million and allows \$25 million in total economic assistance for 1977. It bans all forms of military aid: military assistance under MAP, cash and credit sales under FMS and commercial sales. It bans all military aid, FMS sales—cash or credit—and other economic aid in the pipeline. It prohibits contracts with Chile for title I Food for Peace assistance, housing loan guarantees and requires that the amount of debt rescheduled in the future must fall within the limits of the aid ceilings imposed by this amendment. The amendment follows:

Amendment offered by Mr. HARRINGTON:
Add the following new section at the end of the bill:

BAN ON ASSISTANCE TO CHILE

SEC. —. (a) Section 620 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(y) (1) No military assistance or security supporting assistance may be furnished to Chile under this Act; no sales of defense articles or services (whether for cash or by credit, guaranty, or any other means) may be made to Chile under the Foreign Military Sales Act; no agreements may be entered into with Chile under title I of the Agricultural Trade Development and Assistance Act of 1954; no housing guaranty may be issued under title III of chapter 2 of part I of this Act with respect to Chile; and no license for the export to Chile of any arms, ammunition, or implements of war (or technical data relating thereto) may be issued under section 414 of the Mutual Security Act of 1954.

"(2) All deliveries of any such assistance previously obligated, all deliveries of any such defense articles or services previously sold, all deliveries of agricultural commodities pursuant to any such agreement previously entered into, all such housing guaranties previously issued, and all such licenses previously issued, shall be suspended immediately upon the enactment of this subsection.

"(3) The provisions of this subsection may not be waived under the authority contained in any other provision of law."

(b) Section 320 of the International Development and Food Assistance Act of 1975 (Public Law 94-161) is amended to read as follows:

"LIMITATION ON ASSISTANCE TO CHILE

"Sec. 320. The total amount of assistance which may be made available to Chile may not exceed \$70,700,000 for fiscal year 1976 and may not exceed \$25,000,000 for fiscal year

1977, including for each such year the amount of any indebtedness of Chile to the United States which, on the date of enactment of the International Security Assistance Act of 1975, is scheduled for payment

during such fiscal year and which, after such date of enactment, is rescheduled for later payment, but excluding assistance furnished under title II of the Agricultural Trade Development and Assistance Act of 1954. This

section shall not be construed to authorize the furnishing of any assistance for Chile which is prohibited by section 620(y) of the Foreign Assistance Act of 1961."

HOUSE OF REPRESENTATIVES—Tuesday, January 27, 1976

The House met at 12 o'clock noon.

Chaplain A. Purnell Bailey, associate general secretary, division of chaplains, United Methodist Church, Washington, D.C., offered the following prayer:

As the hart panteth after the water brooks, so panteth my soul after Thee, O God!—Psalms 42: 1.

Almighty God, our Heavenly Father, help us to be still and know that You are God. From Thy hand we have been given this day, and from Thy mercy new life and freedom.

Comfort those who have experienced sorrow, grant Thy healing to our many hurts, and open our eyes to Your love and beauty.

Guide our leaders in the paths of righteousness for Thy name's sake and grant them renewed vigor to defend the rights of our people that peace may permeate our society.

Deliver our people from the bondage of poor vision, the lack of unity, and the neglect of vital causes.

Enter our willing hearts today and forgive our sins. Teach us to forgive and live. Grant us strength for the tasks at hand, and keep us in Thy holy name. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 508. An act to amend title 5, United States Code, to authorize civilians employed by the Department of Defense to administer oaths while conducting official investigations.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 700. An act to amend the Agricultural Adjustment Act of 1938, as amended;

S. 2071. An act to authorize appropriations for the repair of highways in the State of Alaska, and for other purposes; and

S. 2115. An act to amend chapter 39 of title 10, United States Code, to enable the President to authorize the involuntary order to active duty of Selected Reservists, for a limited period, whether or not a declaration of war or national emergency has been declared.

REV. A. PURNELL BAILEY

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

Mr. FISHER. Mr. Speaker, I am very pleased to note that today's invocation was delivered by the Reverend A. Purnell Bailey, who is associate general secretary of the Board of Higher Education and Ministry of the United Methodist Church and also one of my constituents from McLean, Va. I wish to thank Mr. Bailey for the inspiring prayer he has offered on our behalf.

Mr. Bailey is an ordained minister in the Virginia Conference of the United Methodist Church. He is a graduate of Randolph-Macon College—B.A., D.D.; Duke Divinity School—B.D.; and Union Theological Seminary—Th. M. He served as an Army chaplain in World War II before becoming pastor of Virginia churches, including Centenary and Revell in Richmond. He was superintendent of the Richmond district for 6 years; member of general conferences and southeastern jurisdictional conferences; and chairman of the Veterans' Administration Chaplain Service Advisory Council.

Some may recognize him as the Protestant Radio Hour speaker in 1962 and 1971 and author of a column for the Los Angeles Times Syndicate, "Bread of Life."

Dr. Bailey is married to the former Ruth Martin Hill and they have four daughters, Carol, Anne, Beth, and Jeanne. I welcome into this Chamber the Reverend Bailey and his family and friends.

REQUEST FOR PERMISSION FOR SELECT COMMITTEE ON INTELLIGENCE TO HAVE UNTIL MIDNIGHT, FRIDAY, JANUARY 30, 1976, TO FILE A REPORT, AND TO HAVE UNTIL MIDNIGHT, WEDNESDAY, FEBRUARY 11, 1976, TO FILE RECOMMENDATIONS

Mr. PIKE. Mr. Speaker, I ask unanimous consent that the Select Committee on Intelligence have until midnight, Friday, January 30, 1976, to file its report and to have until midnight, Wednesday, February 11, 1976, to file its recommendations.

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

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I know that yesterday the gentleman from New York (Mr. PIKE) was unfortunately detained because of the weather and was not able to be here during the more than 1½ hours of debate that took place on the

floor of the House regarding the report which he now seeks permission to file. But during that time, Mr. Speaker, substantial question was raised as to why this report has been leaked or given to the press and to various other persons. A question was raised as to whether or not the gentleman's committee is making any investigation to determine which committee member or staff member, may have leaked the report, if indeed anyone did.

Of course, I might add for the gentleman's benefit—and I am sure he has probably read the Record—that it was also the sense of the discussion that certain parts of this report should not be included or released to the public since they may damage national security.

My question to the gentleman, since he is asking for permission to file this report, is this: Is the gentleman's committee making any effort to find out who violated the rules of the House, at least as this gentleman from Maryland reads them? And I would ask whether or not in granting this permission to file we are also acceding to the publication of those parts of the report that have been objected to?

Mr. PIKE. Mr. Speaker, will the gentleman yield?

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

Mr. PIKE. First of all, Mr. Speaker, I would like to say that as to the report itself the only reason that the unanimous-consent request was necessary is that the House will not be in session on this Friday. The report itself is completed. The time which is being asked for right now is only for the purpose of the filing of minority or additional views by the Members.

As to the question of leaks, I do not believe that any Member abhors leaks more than I do. Obviously they do hurt the credibility of the committee, and I may well have made one basic mistake which makes it impossible to trace the leaks. The basic mistake may well have been that on the day that the draft report was made available to the members of the committee it was also, out of what I deemed to be a sense of justice and fair play, given to the CIA.

I am aware that many copies of the report have been circulated through the Department of Defense and through the State Department, and I simply say to the gentleman that with our limited staff and our limited time there is no way on Earth that we can track down where the leaks came from.

Mr. BAUMAN. The gentleman is then suggesting the possibility that the leaks did not occur through members of his committee but perhaps through members of the staff of the CIA itself?

Mr. PIKE. Mr. Speaker, I think that is