

By Mr. RODINO (for himself and Mr. HAYS of Ohio):

H. Con. Res. 276. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Mr. HOWARD:

H. Res. 458. Resolution establishing a select committee to study the problem of U.S. missing in action in Southeast Asia; to the Committee on Rules.

By Mr. KOCH (for himself, Mr. PEYSER, Mr. ANDERSON of Illinois, Mr. BELL, Mr. BROOMFIELD, Mr. BUCHANAN, Mr. DERWINSKI, Mr. EDGAR, Mr. ESHLEMAN, Mrs. FENWICK, Mr. FORTSYTHE, Mr. FRENZEL, Mr. GILMAN, Mr. GRADISON, and Mr. GUDE):

H. Res. 459. Resolution expressing the sense of the House of Representatives that the President should be supported in his efforts in furnishing humanitarian and resettlement assistance to refugees from South Vietnam and Cambodia and that all funds should be provided expeditiously; to the Committee on the Judiciary.

By Mr. KOCH (for himself, Mr. PEYSER, Mr. McCLOSKEY, Mr. McCOLLISTER, Mr. MCKINNEY, Mr. MARTIN, Mr. PATTISON of New York, Mr. REES, Ms. SCHROEDER, Mr. SEIBERLING, Mr. SIMON, Mr. TREEN, Mr. WAXMAN, Mr. WHITEHURST, and Mr. BOB WILSON):

H. Res. 460. Resolution expressing the sense of the House of Representatives that the President should be supported in his efforts in furnishing humanitarian and resettlement assistance to refugees from South Vietnam and Cambodia and that all funds should be provided expeditiously; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

134. By the SPEAKER: A memorial of the Legislature of the State of Oregon, relative to permitting children under 12 years of age to be employed in agriculture during the summer months; to the Committee on Education and Labor.

135. Also, memorial of the Legislature of the State of Nevada, relative to prohibiting any state other than the State of residence from requiring withholding of income taxes; to the Committee on Interstate and Foreign Commerce.

136. Also, memorial of the Legislature of the State of Oregon, relative to establishing reduced rail rates for the transportation of recyclable materials; to the Committee on Interstate and Foreign Commerce.

137. Also, memorial of the Legislature of

the State of Oregon, relative to clearing the name of Dr. Samuel Alexander Mudd; to the Committee on the Judiciary.

138. Also, memorial of the Legislature of the State of Oregon, relative to a 20-mile fishing zone along the shores of the United States; to the Committee on Merchant Marine and Fisheries.

139. Also, memorial of the Legislature of the State of Nevada, relative to providing loans for small businesses; to the Committee on Small Business.

140. Also, memorial of the Legislature of the State of Nevada, relative to prohibiting certain searches of financial papers; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GONZALEZ:

H.R. 6947. A bill for the relief of Antonio Merlo; to the Committee on the Judiciary.

By Mr. HAGEDORN:

H.R. 6948. A bill for the relief of Robert H. Carleton; to the Committee on the Judiciary.

By Mr. MURPHY of New York:

H.R. 6949. A bill to make the film Wilma Rudolph Olympic Champion, which was produced by the U.S. Information Agency, available for certain limited use within the United States in conjunction with promotion of the 1976 Olympic Games; to the Committee on International Relations.

By Mr. FLOOD:

H. Con. Res. 277. Concurrent resolution expressing the sense of the Congress that Mother Teresa of Calcutta deserves the 1975 Nobel Peace Prize for her service to humanity; to the Committee on International Relations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6755

By Ms. ABZUG:

On page 1, line 10, strike out "aliens" and insert in lieu thereof "persons".

On page 2, line 1, strike out "Cambodia or Vietnam," and insert in lieu thereof "Cambodia, Vietnam or the United States".

On page 2, line 13, strike out "aliens" and insert in lieu thereof "persons".

On page 2, line 16, strike out "Cambodia or Vietnam" and insert in lieu thereof "Cambodia, Vietnam or the United States".

By Ms. HOLTZMAN:

Page 1, line 8, insert immediately after "necessary" the following: ", but not to exceed \$507,000,000."

By Mr. HUGHES:

Page 1, line 5, insert "(1)" after "(a)".

Page 2, immediately after line 2, insert the following new paragraph:

"(2) In addition to the purposes set forth in paragraph (1), funds authorized under this Act shall be available for the transportation and related expenses of those aliens (A) who have fled from Cambodia or Vietnam, and (B) who, on or before September 30, 1977, make a formal request, to a designated agent of the President, for assistance to return to Cambodia or Vietnam. The President shall take such steps as may be necessary to determine whether the governments of Cambodia and Vietnam will accept and repatriate such aliens, and to provide designated agents for the receipt of such requests."

Page 2, line 7, insert "or of subsection (a) (2) of this section" immediately before the period at the end thereof.

By Mr. RIEGLE:

Page 2, line 2, immediately before the period insert "; except that no funds made available under this Act may be used to furnish to any such alien any assistance which is not available to an individual facing equivalent personal economic hardship who is not a refugee from Cambodia or Vietnam and who is an American citizen".

By Mr. WHITE:

On page 2, beginning with line 3, change the designation of subsection (b) to (c) and insert the following as subsection (b):

"(b) None of such sums shall be used for the entry of any refugee into the United States prior to the determination of the admissibility of such refugee as a permanent resident under existing law, but such sums as may be required shall be used to establish receiving and processing camps for such refugees in the territories and Trust Territories of the United States. Such sums may be used for the relocation of persons who desire to return to their native land or for relocation of those persons who are determined to be inadmissible to the United States. Such sums may further be used to establish for permanent residence in the Trust Territories any such refugees desiring to remain in the Trust Territories under the necessary arrangements and agreements with the United Nations and the Legislature of Micronesia."

H.R. 6874

By Ms. ABZUG:

Page 1, line 5: After "Cambodia", insert ", the United States".

Page 2, line 6: After "Cambodia", insert ", the United States".

Page 2, line 14: After "Cambodia", insert ", the United States".

Page 2, line --: Insert the following additional section:

"Sec. 202. As used in this act, the term "refugees" shall have the same meaning as in the Indochina Migration and Refugee Assistance Act of 1975."

EXTENSIONS OF REMARKS

BICENTENNIAL CEREMONIES IN HOBOKEN, N.J.

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, I was recently privileged to attend a Bicentennial program in the city of Hoboken, N.J., during which the distinguished superintendent of schools of Hoboken, Mr. Thomas F. McFeely, gave a well-received speech.

As Mr. McFeely pointed out in his address of April 18, the Nation's Bicentennial festivities are important reminders of how far we have come as a nation in the short period of 200 years.

I am very proud of the imaginative and highly patriotic Bicentennial program that is being developed by the talented people of Hoboken, and I would like to share Mr. McFeely's thoughtful remarks with my colleagues. Mr. McFeely's speech follows:

BICENTENNIAL KICK-OFF CEREMONIES IN HOBOKEN, N.J.

Greetings: Today, April 18, 1975, is the two hundredth anniversary of the midnight

ride of Paul Revere and other patriots. This anniversary of the famous call to arms, "The British are coming," is significant because it recalls the terror which spread through the Middlesex countryside at the thought of relatively untrained men facing the might of the British army. Yet, on April 19, 1775, the Minute Men stood on the village green and faced the British troops. A shot was fired—no one is certain as to which side fired it—and this shot was heard around the world. Its vibrations shook the very foundations of the world's political philosophies. It was also destined to change the world for it signaled the beginning of the Revolutionary War, which would culminate in the establishment of a new nation, the United States of America.

Therefore, our commemoration of this event today is a fitting tribute to those brave men of yesteryear and is the proper moment to begin Hoboken's Bicentennial ceremonies. Just as the events leading up to the signing of the Declaration of Independence and the birth of a nation took slightly over a year from that suspicious moment on the village green in Lexington so too our Bicentennial activities evolve during the next year and climax in the final celebration on July 4, 1976, when we in Hoboken will be united with all our fellow Americans in celebrating the birth of our Nation.

However, as we stand here today, we cannot forget the significance of our Nation's birth and the ideals upon which it was founded. As we consider these ideals, we should pause for a moment to thank our Creator for having inspired our forefathers to put down in writing what men had sought for centuries—freedom, justice, and equality. For, in the Declaration of Independence not only did the colonists sever ties with the mother country, England, but also affirmed the belief that "all men are created equal and that they are endowed by their Creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed."

We, the benefactors of these precious rights, must once again reaffirm our belief in what our forefathers considered to be essential. We can do this by becoming active participants in Hoboken's reliving of the significant events that will recreate our Nation's birth.

KEEP AN OPEN DOOR

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. DERWINSKI. Mr. Speaker, the Chicago Sun-Times, in their lead editorial of May 5, very properly analyzes the question of the open door policy for trade and investments which the United States, as a major economic power, must continually review. I believe this editorial objectively addresses the situation, and I concur with its conclusion that the currently proposed legislation, which would cut foreign investments in the United States, is not based on a realistic long-term national interest.

The editorial follows:

KEEP AN OPEN DOOR

Traditionally, the United States has stuck to an open door policy toward foreigners who wish to invest in this nation. Lately, some Americans waving the flag of economic nationalism threaten to harass those who would bolster U.S. business by directly investing in it.

At the center of their drive is a bill, introduced by Sen. Harrison Williams (D-N.J.) and amended by Sen. Jacob Javits (R-N.Y.), that is aimed at discouraging foreign investment. The over-all fear is that "they"—the foreigners—will buy "us" out, plus concern that Arab investors would use their leverage against Jews in hiring or pro-Israel nations in commerce.

The Harrison-Javits bill's chief provisions ask for more detailed disclosure of just who owns what corporate stock, a requirement that any foreign investor seeking to acquire 5 per cent or more of an American company give 30 days notice to the Securities and Exchange Commission, and authority for the President to bar such investments in any

company with more than \$1 million in assets.

What partly inspired this attempt to put a chain lock on the open door policy were such developments as a foreign bid to take over Lockheed Aircraft Corp. and the Iranian offer to buy heavily into Pan American World Airways. These actions were accompanied by word that Arab money was creeping into control of U.S. banks and real estate.

In truth, new foreign investing in U.S. industry fell 40 per cent during the first quarter of this year as compared with the same period in 1973. A recent New York Stock Exchange study forecasts a shortage of \$650 billion in investment capital needed over the next decade beyond what the United States can expect to raise on its own.

That huge sum approximates what the World Bank thinks the oil sheiks have piled up. Sensibly, this country could get big bundles of those petrodollars converted into U.S. dollars as job-producing, GNP-elevating, economy-enhancing investment.

What makes even President Ford argue against the proposed bill is that sufficient controls already exist. For example, foreigners are not permitted to own more than 25 per cent of any business engaged in domestic air transport, coastal or fresh water shipping, or broadcasting. Natural resources lie under a variety of controls. The Justice Department's antitrust division keeps an eye peeled for abuse of controlling interests in corporations.

Americans presently have six times as much invested abroad as foreigners have invested in the United States. Shutting the door on foreigners would expose U.S. investment to reprisals. Perhaps the best evidence against the proposed bill lies in the historical fact that America could never have built its vital railroads in the 1800s without vast help from British bankers. Sometimes a history lesson teaches economics better than arithmetic.

CAMBODIANS SEIZE U.S. MERCHANT SHIP

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. ANDERSON of California. Mr. Speaker, yesterday morning the Khmer Rouge government of Cambodia seized a U.S. merchant ship, the *Mayaguez*, and is now holding it captive.

The *Mayaguez*, which was carrying a cargo of civilian and military supplies, was in international waters in an established shipping lane when it was seized. This aggression can only be labeled as an act of piracy.

What is the reason for this action? Of course, since the new Cambodian regime has not established diplomatic relations with any nation, we can only guess. However, it is interesting to note that the new government has claimed jurisdiction over territorial waters 90 nautical miles offshore—about 100 statute miles.

Hopefully, the Khmer Rouge will release the ship and her crew unharmed. Diplomacy is the obvious way to achieve this, and hopefully the State Department will be successful in their attempts to free the 39 American crewmen aboard the vessel. This unfortunate incident does point out a major problem; how can the United States protect its shipping on the high seas?

We have already seen the failure of

our Government to do so in the case of American tuna boats, that are routinely seized by Ecuador and released only after the payment of exorbitant fines. The Cambodian incident is another violation of the laws of the high seas.

If the U.S. Merchant Marine and fishing fleet is to be guaranteed safety on the high seas, we must make it clear that such actions will no longer be tolerated. It is preposterous to allow American seamen to become the unwilling pawns of international conflict.

It is disturbing in this case that warning signs were available in advance of this incident. For instance, it is reported that the Pentagon received a report on Cambodia's extended territorial claims in offshore waters. A Panamanian vessel had already been seized, then released. Yet there was no attempt by our Government to warn U.S. vessels away from these waters, or to inform shipping interests of the dangers involved.

At this point, I would like to insert three newspaper articles on this subject, two on the details of the seizure from the Los Angeles Times, and one on the intelligence reports which were ignored, from today's issue of the Washington Star.

I would also like to extend my sympathy for the families of the crewmen who were captured. I sincerely hope they are released immediately, and unharmed, by the Cambodian Government.

The article follows:

CAMBODIA SEIZES U.S. FREIGHTER, CREW OF 39

(By Don Irwin and Oswald L. Johnston)

WASHINGTON.—An unarmed U.S. freighter was fired on and seized early Monday in the Gulf of Thailand by a Cambodian gunboat that then took the vessel and her crew of 39 into port.

President Ford denounced the seizure as "an act of piracy" and ordered the State Department to demand that Cambodia's new revolutionary government immediately release the freighter, the S.S. *Mayaguez*, or face "the most serious consequences."

The captain of the seized vessel was identified by the owners as Charles T. Miller of Fountain Valley, Calif. They said that many of the crew members were from California, including Second Mate Jared C. Myregard of Van Nuys and Third Mate Burton Coombes of Richmond.

The White House announced the incident at 1:50 p.m. EDT—about 10 hours after first word was received here—without revealing details of the approach to be used to recover the vessel.

Before the announcement, Mr. Ford discussed the incident for 45 minutes with the National Security Council and later went over the few known facts with key members of Congress.

Congress reacted with concern to the seizure of the first U.S. vessel taken over by a foreign power since North Korean warships captured the spy ship USS *Pueblo* in January, 1968. Some members urged use of force to recover the *Mayaguez*, but others agreed with Sen. Jacob K. Javits (R-N.Y.) that Americans "should keep our shirts on and see if they return the ship."

White House Press Secretary Ron Nessen denied that the *Mayaguez* was linked in any way with espionage. A State Department source said the ship carried a general cargo, about half of it consisting of "military vans"—containers carrying military materiel, but not arms or munitions.

An informed source said there would be no need for the United States to have a *Pueblo*-type intelligence ship in waters off

Cambodia since American installations in Thailand can pick up any information available to such spy vessels.

Nessen said the ship, owned by Sea-Land Service Inc. of Edison, N.J., was believed to have been steaming from Hong Kong to a port in Thailand. Other officials said it was bound for Sattahip, a naval port adjoining the U.S. air base at Utapao, Thailand, when it was seized and apparently escorted into the Cambodian port of Kompong Som.

Fragmentary radio messages from the ship said the encounter took place in the Gulf of Thailand about 60 miles off Kompong Som. The position was, however, eight miles from Poulo Wai, a small rocky island claimed by both Cambodia and Vietnam. Sources said the victorious Khmer Rouge forces that now control Cambodia have maintained a garrison on the island for several weeks.

Nessen said a Panamanian ship was stopped by Cambodia in the same area May 7 or 8 and apparently was allowed to leave. He said the Panamanian vessel was reported to have been enroute to Bangkok, Thailand.

Nessen said radio reports from the Mayaguez, a 10,485-ton vessel built in 1944, "indicated that the ship was fired upon and boarded by Cambodians." He said the only description he had on the boarding vessel was that it was a "gunboat."

Radio signals from the ship were heard by a number of commercial receiving stations, Nessen said. He said they included a Mayday message signifying distress.

The White House statement announcing the seizure said:

"We have been informed that a Cambodian naval vessel had seized an American merchant ship on the high seas and forced it to the port of Kompong Som. The President has met with the NSC. He considers this seizure an act of piracy. He has instructed the State Department to demand the immediate release of the ship. Failure to do so would have the most serious consequences."

Pentagon sources speculated that the 31-year-old freighter was taken over by a U.S.-built boat, a light, speedy patrol vessel, several of which were provided to the deposed Cambodian regime. The boats normally are armed with a single heavy caliber machine gun.

A spokesman for the Sea-Land firm said the Mayaguez was carrying "a variety of goods" in a capacity cargo of 274 containers. Although Hong Kong has been its home port, he said, its movements have been controlled from a Sea-Land office in Oakland.

At the White House, Nessen said first word of the seizure was received in Washington early Monday morning—one source said about 3 a.m. EDT.

President Ford was first notified, Nessen said, at his daily intelligence briefing, which normally takes place about 7 a.m. There was an interval before the National Security Council meeting was called, he said, because "we needed to pull the facts together."

Asked if the White House viewed the incident as "a major crisis," Nessen replied, "I don't want to characterize it." He declined to discuss in any way the diplomatic approach being used to recover the vessel and would not discuss what countries may have been approached. He said, however, that there had been no communication with Cambodia's new nationalistic Communist government.

State Department officials said steps were under way to obtain release of the vessel, but they gave no details. Other sources said there were only two likely avenues to the Khmer Rouge regime: North Vietnam and the People's Republic of China, both Communist governments. Neither is known to be represented in Cambodia at present.

Speculation was that overtures would be made through the Chinese. They maintained no embassy in Phnom Penh during the years

of the now-defunct Lon Nol regime, but dealt with the Khmer Rouge through Cambodia's former ruler, Prince Norodom Sihanouk, who was in exile in Peking.

There were possible legal complications in the apparent fact that the Mayaguez was seized eight miles away from an island claimed by Cambodia. In 1969 under Sihanouk, the Cambodian government claimed jurisdiction over waters 12 miles off its territory. Under that premise, the Mayaguez was seized in Cambodian water.

On the other hand, the generally accepted "right of innocent passage" is construed to give a non-combatant vessel freedom to traverse offshore waters unless an overt state of war exists.

The circumstances appear to differ substantially both for the Tonkin Gulf incident of 1964, which involved the destroyer USS Turner Joy in waters claimed by North Vietnam, and the Pueblo incident of 1968, which involved a U.S. Navy vessel loaded with electronic gear indicating a spy mission.

The White House declined to discuss in any way the "most serious consequences" which Mr. Ford said Cambodia faces if it refuses to return the Mayaguez and its crew.

The most obvious possibility was a resort to force, a course on which the President would be restricted by the War Powers Act of 1973, which permits the President to order U.S. forces into overseas action for no more than 60 days before seeking the approval of Congress.

There are three U.S. aircraft carriers and about 30 other American vessels on station off the Philippines, and some members of Congress appeared ready to see Mr. Ford use them. But more were cautious.

"We ought to go after it," Sen. John Sparkman (D-Ala.), chairman of the Senate Foreign Relations Committee said of the seized vessel. Two committee members, Javits and Sen. Hugh Scott (R-Pa.), the minority leader, were more restrained. While the seizure was "a terrible thing," Scott said, it would be unwise for Congress to "start playing foreign policy with a situation involving an act of piracy."

"I believe a little patience is desired rather than cause an attack on the new Cambodian government," Javits said.

Sen. Robert Taft Jr. (R-Ohio) urged that the United States "try all kinds of sanctions" before resorting to force.

"But that doesn't mean ruling out retaking it," he said. "We can't allow that kind of thing to happen on the high seas."

Sen. Hubert H. Humphrey (D-Minn.) urged the government to "stop, look and listen" before it resorts to force.

The strongest call for military action came from Sen. James L. Buckley (Cons-R-N.Y.) who said the President should order immediate punitive air and naval attacks on appropriate targets in Cambodia to "underscore the fact that we will no longer tolerate acts of international banditry."

In private conversations, sources on the Senate Foreign Relations Committee voiced doubt that there would be any early resort to force. One source suggested that the incident may represent no more than an effort by the Khmer Rouge to assert the new government's sovereignty over rocky little Poulo Wai.

But Mr. Ford's warning of "most serious consequences" in the latest incident was considerably stronger than language used by former President Lyndon B. Johnson in his first comment on the Pueblo's capture Jan. 23, 1968.

Unlike the present incident, the Pueblo's seizure was not disclosed in Washington, but by the North Korean captors. Mr. Johnson did not comment on the affair until Jan. 26, when he referred to it in a televised statement in which he said the United States would bring the matter before the U.N. Security Council.

Whereas Cambodia kept total silence Monday about the capture of the Mayaguez, the seizure of the Pueblo was first announced in a North Korean broadcast asserting that an "armed spy ship of the U.S. imperialist aggressor" was seized inside North Korea's 12-mile limit.

That same day, former Secretary of State Dean Rusk called the seizure "a matter of the utmost gravity" and said Washington was negotiating with North Korea "through the channels that are available to us."

Channels for dealing with the North Koreans were more readily available than they appeared to be in Monday's effort to make contact with Cambodia's regime, for extended negotiations on settlement of the Korean war were still under way.

The matter was put before the mixed armistice commission meeting at Panmunjom.

Even so, it took 11 months of negotiations before North Korea freed former Navy Comdr. Lloyd M. Bucher and the Pueblo's crew of 83.

COMPANY LISTS CREWMEN ABOARD SEIZED VESSEL

MENLO PARK, N.J.—Sea-Land Co., owner of the Mayaguez, seized by Cambodia Monday, released this list of crewmen:

Charles T. Miller, Fountain Valley, Calif., captain; James P. Newman, Reno, Nev., chief mate; Jared C. Myregard, Van Nuys, Calif., second mate; Burton Coombes, Richmond, Calif., third mate; David C. English, Seattle, Wash., third mate;

Munasser Omer, Delano, Calif.; Francis Pastrano, Kenner, La.; Darryl V. Kastl, San Francisco; Kassem Saleh, San Francisco; Geraldo Lopez, Metairie, La.; Anastacio Sereno, San Francisco; Clifford Harrington, Santa Cruz, Calif.; Vernon Greenlin, Santa Rosa, Calif.; Juan P. Sanchez, San Francisco; Wilbert N. Rock, Bogota, N.J.; James C. Mullis, Wilmer, Ala.; Salvator T. Puntillo, Kenosha, Wis.; Earl C. Gilbert, Pascagoula, Miss.; William G. MacDonald, Houston; Gerald Balliss, Yokohama, Japan;

Thomas V. LaBuz, Temple City, Calif.; John Doyle, Toledo, Ohio; Herbert C. McDonald, San Francisco; Polo Russi Vazquez, Punta Santiago, Puerto Rico; A. Minchiello, San Francisco; Wilfred Reyes, Daly City, Calif.; Alfred J. Rappenecker, Palo Alto, Calif.; Raymond Friedler, Rochester, N.Y.; Americo Parla, Walnut Creek, Calif.; Robert Phillips, Manila, the Philippines; Awat B. Sulamen, Philadelphia; Frank T. Conway, Hattiesburg, Miss.; Robert E. Zimmerman, Seattle; Carlos J. Cuerrero, Honduras; Stephen Zarley, Rizal, the Philippines; Ervin Anderson, New Orleans; Guillermo C. Reyes, Daly City; Angel L. Rios, Levittown, Puerto Rico, and William P. Bellinger, Washington, D.C.

INTELLIGENCE BLUNDER? DANGER SIGNS IGNORED

(By Henry S. Bradsher)

The capture of an American ship by the tough new Communist regime in Cambodia may have resulted from a major blunder of U.S. intelligence, which failed to head off the new international crisis.

The U.S. government had received a number of danger signs before the merchantman Mayaguez was boarded by armed Cambodians yesterday and taken with its 39 American seamen to the port of Sihanoukville.

But, in answer to questions, officials could not find any indication that the danger signs had registered sufficiently to cause precautionary steps to be taken so as to avoid the capture of an American ship.

This suggested that the situation is comparable to the capture of the Pueblo by North Korea in 1968 after Pyongyang had warned against the American spy ship's operations off its coast but the warnings were ignored. In the case of the Mayaguez, how-

ever, the White House said that the vessel is not a spy ship.

The danger signs known here before the Mayaguez's capture include the following:

Since Cambodia's major seaport Kompong Som—now renamed Sihanoukville by the new government—was taken over by the Khmer Rouge, at least one American-supplied gunboat had been put into operation by the Communists.

A Cambodian gunboat had stopped a Panamanian ship last Thursday in the same area approximately 60 miles off shore where the Mayaguez was captured. It was later released and the Khmer Rouge were apparently searching for other maritime prizes.

At least three ships in which Cambodian refugees fled after Phnom Penh fell are now at the U.S. naval base at Subic Bay in the Philippines, giving the new regime a motive to take a U.S. prize for barter purposes.

Cambodia claims Wai Island, the rock about eight miles from the point of capture, and therefore claims the waters around it which U.S. shipping had regularly been using. The island is also claimed by Vietnam.

According to one report received at the Pentagon some days ago, the new Cambodian regime has also claimed territorial waters up to 90 nautical miles (about 100 statute miles) from shore, which would include not only Wai Island but also a sizable stretch of the shipping lane around Vietnam and Cambodia to Thailand from the East.

Perhaps most important in adding all these up, the new Cambodian regime has openly shown bitter hostility to the United States.

It has also been so deliberately isolated from the outside world that the only country the United States could contact yesterday which might get a message through about the ship was China. The Chinese liaison office here was approached but U.S. officials were not very optimistic that this channel would produce results.

Some of the danger signs, officials disclosed yesterday after the capture, were buried in secret intelligence reports. Others were registered in collections of material on the changing situation in Cambodia.

But the most critical fact of all, the stopping of the Panamanian ship, failed to cause a sufficient assessment of possible dangers to shipping in the Gulf of Thailand from which might have been drawn the conclusion that U.S. vessels would be in danger.

After the capture, officials saw that it would have been possible to warn American ships to sail around the claimed territorial waters where the gunboat was known to have been operating.

The United States might also have sent a warship protectively close to the area until the situation was clarified.

These were the same steps which had been possible when the North Korean warnings about the Pueblo's operations were given. But in neither case was the danger taken seriously enough to cause any reaction.

Only after the Pueblo and Mayaguez captures did officials begin to search for motives which would have led to such an action.

Since Phnom Penh fell to the Khmer Rouge on April 17, five days after the American helicopter evacuation, officials here have been watching the Cambodian situation from several sources.

Both normal domestic radio broadcasts and internal military radio traffic have been monitored. Reports from refugees coming out of Cambodia have been noted. Statements by Cambodian spokesmen abroad have been studied.

All have indicated continuing hostility toward the United States, which armed, financed and wholly sustained the now-defeated Lon Nol government. Recent broadcasts have expressed particular anger at the destruction of Cambodia's roads, bridges, railroads and other infrastructure during the

war, with the blame being put—not always accurately—on the United States.

Officials here saw a possibility that the Mayaguez was seized in retaliation for this damage. It might also have been taken for barter purposes.

The three ships at Subic Bay sailed from Kompong Som with 625 refugees as the war ended. They went first to a Malaysian port and then to the Philippines. Some reports said that a fourth warship had also escaped and was at Subic Bay.

Records show that the United States had provided six gunboats to the old Lon Nol government.

Some American officials were not convinced that the seizure was a deliberate act of policy by the Khmer Rouge, whose government remains shadowy and ill-defined. One official said the action, which President Ford denounced as "piracy," might have been a local initiative rather than an order from Phnom Penh. Or it "might have been just a general warning" to foreign ships to stay away from Cambodia.

This interpretation gained possible support from information conveyed by Ford to some congressional leaders that the Cambodian boarding party did not speak English. The gunboat might not have set out to capture an American ship.

But some officials thought the fact that the Panamanian ship had been released earlier argued the opposite. They added that the Cambodians presumably could identify an American flag and knew at whom they were shooting.

The White House spokesman, Ronald Nesen, announced that the ship was about 60 miles from the Cambodian coast and 8 miles from Wai Island.

A spokesman for the ship's owners, Sealand Corporation, said later it was 85 miles offshore. That would have put it much farther than 8 miles from the island but still within the reported 90-nautical-mile claim.

The United States does not recognize such extensive claims for shipping rights, but it has not prevented Peru from seizing American fishing boats even farther from its shores.

Among the mixed reactions on Capitol Hill, ranging from caution and a wait-and-see attitude to demands for U.S. government action, was a call by Sen. James L. Buckley, R-N.Y., for an "immediately clinical air strike."

Buckley suggested that U.S. planes might bomb such targets as ports and bridges. But the new Communist rulers in Phnom Penh have been complaining that they do not have many of those left unbombed after the war, so the choice of targets now would be poor.

By emptying the cities of population since its victory and emphasizing rural self-reliance, the new regime has made itself virtually invulnerable to any military or economic pressure which the United States might now try to bring in hopes of winning the release of the 39 seamen.

The White House had warned yesterday that failure by Cambodia to release the ship immediately "would have the most serious consequences." A U.S. aircraft carrier and supporting warships were sent to the Gulf of Thailand.

The United States also still has warplanes at air bases in Thailand which were used to bomb Cambodia before a Congressionally imposed halt on such raids on Aug. 15, 1973.

PERSONAL EXPLANATION

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. DERRICK. Mr. Speaker, on April 28, 1975, I was present when the call was

made for a final vote on H.R. 4222, The National School Lunch Act and Child Nutrition Act of 1966 Amendments of 1975. Apparently, the computer failed to record my vote in favor of the act. The computer does show that I inserted my card, however, it did not register a vote. I wish for the RECORD to note my intention of supporting the bill, the fact that I was present, and that I did in fact vote for H.R. 4222 on final passage. Thank you.

TESTIMONY ON FULL EMPLOYMENT

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HAWKINS. Mr. Speaker, on these pages on May 6, one of my colleagues reprinted an article from the Communist Party newspaper, Daily World, concerning testimony before the Subcommittee on Equal Opportunities in Detroit, Mich., March 24, 1975, on H.R. 50, the Equal Opportunity and Full Employment Act.

The implication that H.R. 50 relies on Communist support for acceptance, or that it is in some way an intentional or unintentional instrument for Communist Party tactics, is sufficiently serious and erroneous to merit my setting the record straight at this time.

The testimony to which my colleague referred was that of Douglas Likkel, representing the ad hoc committee for a Detroit Youth United for Jobs and one of three members of a panel devoting testimony to the impact of the economic situation on Detroit youth. Other members of the panel included representatives of the NAACP and the Detroit Youth Council, an organization affiliated with the city government. Mr. Likkel was one of 15 witnesses testifying in Detroit including two Congressmen, the mayor of Detroit, and the chairman of the board of a major Detroit company.

To date, the subcommittee has conducted eight hearings on H.R. 50 and heard from 77 witnesses. While some of these witnesses may differ as to the best means for achieving the goals of this legislation, they are almost unanimously in favor of the national commitment to full employment which is central to this bill. Eighty-five Members of the House have joined Congressman HENRY REUSS and me in cosponsoring this legislation. Senator HUBERT HUMPHREY and five other Senators have introduced the measure in the Senate.

As chairman of the Subcommittee on Equal Opportunities, I have sought to have the widest possible range of views represented in these hearings from economists, city and State officials, labor unions, individual workers who are bearing the brunt of the recession and other interested organizations and individuals.

Over 8 million individuals, by official count, were out of work last month, a vast testimonial to the failure of our national economic policies which cuts across lines of race, religion, or political persuasion. The discrediting attempts implicit in the earlier Extension of Remarks are pitifully shortsighted and fail to meet in any constructive manner the

very real needs of 8 million unemployed workers.

For the benefit of my colleagues, I am inserting a list of witnesses who have appeared before the Subcommittee on Equal Opportunities in the hearings on H.R. 50:

HEARINGS ON THE EQUAL OPPORTUNITY AND FULL EMPLOYMENT ACT, H.R. 50

Washington, D.C., October 8, 1974:
The Honorable Hubert H. Humphrey, U.S. Senator from Minnesota.

The Honorable Henry S. Reuss, U.S. Representative from the 5th Congressional District of Wisconsin.

Bertram M. Gross, Professor of Urban Affairs, Department of Urban Affairs, Hunter College, New York.

Washington, D.C., February 25, 1975:
Leon H. Keyserling, National Committee of the Conference on Economic Progress.

Alan Gartner, Secretary, National Conference on Public Service Employment, and Professor of Education, Queens College, New York.

Stanley Moses, Assistant Professor, Department of Urban Affairs, Hunter College, City University of New York.

Washington, D.C., March 18, 1975:
Lynne Darcy, Coordinator, National Task Force on Compliance, National Organization for Women, Princeton, New Jersey.

Mary Jo Binder, Coordinator, National Task Force on Women and Poverty, National Organization for Women, Washington, D.C.

Michael Markowitz, Director of Labor/Management Relations, National Association of Manufacturers, Washington, D.C.

Detroit, Michigan, March 24, 1975:
The Honorable Coleman Young, Mayor, City of Detroit, Detroit, Michigan.

The Honorable Charles C. Diggs, Jr., U.S. Representative, 13th District, Mich.

The Honorable John Conyers, Jr., U.S. Representative, 1st District, Michigan.

Richard Donahue, Director, Bureau of Manpower, Department of Labor, Lansing.

Irving Bluestone, Vice President, United Auto Workers, Detroit, Michigan.

Gilbert F. Richards, Chairman of the Board, Budd Company.

Honorable Maryann Mahaffey, National Association of Social Workers (Councilwoman, City of Detroit).

Lonnie Peek, Concerned Citizens' Council, Inc., Detroit, Michigan.

James Brewer, Greater Detroit OIC.

Michael Ruckes, Unemployed Workers' Council.

Julie Chenault, NAACP Youth Council.

Douglas Likkell, Ad Hoc Committee for Detroit Youth United for Jobs.

Gail Russell, Detroit Youth Council.

Zachary Schiller, Secretary, People for Economic Justice.

Joseph Tuma, Director of Manpower Studies for the Institute of Industrial Labor Relations at Wayne State University.

Los Angeles, California, March 26, 1975:
Lucy Fried, Coordinator, Coalition for Economic Survival.

Consuelo Andrade, Retired Auto Worker.

Betsy Newburn, Welfare Mother.

Rev. Al Dortch, Chairman, Citizens' Committee for Community Action.

Jerry Whipple, United Auto Workers.

Mary McDaniels, United Electrical Workers of American Radio and Machine.

Jack Bernal, Local 44 Uniroyal Rubber Workers.

Marvin Smith, Local 808, United Auto Workers.

Cliff Fried, UCLA Chapter of AFSCME.

James Lorenz, Director, State Department of Employment Development.

Michael Tabriner, Special Counsel, Cali-

fornia Employment Development Department.

Dr. Arthur Pearl, Commission for Economic Development Task Force on Economic Planning.

Charles Mason, C.E.T.A. Project Director, Atlanta, Georgia, April 4, 1975:

Mrs. Coretta Scott King, President, The Martin Luther King, Jr., Center for Social Change, Atlanta, Georgia.

Davey Gibson, Commissioner, Department of Community and Human Development, Atlanta, Georgia.

Howard Weeks, Georgia Department of Labor, Atlanta, Georgia.

Bernard Porche, Executive Director, Southern Conference of Black Mayors, Atlanta, Georgia.

Hon. Arthur Langford, Jr., President, United Youth-Adult Conference, (City Councilman) Atlanta, Georgia.

Samuel E. Hudgins, Treasurer, Atlanta Chamber of Commerce, Atlanta, Georgia.

Lyndon Wade, Executive Director, Atlanta Urban League, Atlanta, Georgia.

Dorothy Bolden, President, National Domestic Workers Union, Atlanta, Georgia.

Donald Webster, NAACP.

Charles Bannerman, Director, Delta Foundation, Greenville, Mississippi.

Solna Burch, Communications Workers of America, District No. 3.

David Scott, State Representative, 37th District, Atlanta, Georgia.

Charles Conroy, Intensive Employment Project, Atlanta, Georgia.

Hon. Zell Miller, Lt. Governor, State of Georgia.

William Allison, Executive Administrator of the Economic Opportunity, Atlanta, Georgia.

Philadelphia, Pennsylvania, April 11, 1975:
Rev. Charles Walker, Operation PUSH, Philadelphia, Pa.

Brian Williams, Committee for Full Employment.

Joe Ferrara, Area Director, United Auto Workers.

Jim Royal, Unemployed Worker.

Father Kakalec, Council of City-wide Community Organizations.

Edward Finnigan, Pennsylvania State Employment Service Bureau.

Herbert Sanabria, Council of Spanish-speaking Organizations.

Richard Askew, President, International Longshoremen's Association, Local 1291.

Reggie Ector, Welfare Rights Organization.

Frank Bradley, President, Action Alliance of Senior Citizens.

Felicia Coward, Chairperson, Young Workers' Liberation League.

Bernie Dinkin, Education Director, Amalgamated Clothing Workers of America.

Ducky Birts, Independent Businessmen's Association.

Sharon Walls, Women's Political Caucus of Philadelphia.

Theodore Eisenberg, Deputy Director for Compliance, Philadelphia Commission on Human Relations.

Al Jones, Unemployed Worker.

Thomas Ritter, OIC of Philadelphia.

Andrew Freeman, Executive Director, Urban League of Philadelphia.

Isadore Krancel, American Jewish Committee.

Sante Fe, New Mexico, May 2, 1975:
Pete Jimenez, President, New Mexico American G.I. Forum.

Vicente Jimenez, New Mexico American G.I. Forum.

Santiago Anaya, President, Alianza Federal de Mercedes, Albuquerque, New Mexico.

Isabel Garcia, President, La Escuela, Albuquerque, New Mexico.

Jim Martinez, President, New Mexico League of United Latin-American Citizens, Albuquerque, New Mexico.

Carl Smith, President, New Mexico AFL-CIO, Albuquerque, New Mexico.

JOHN L. PETERSEN TO HEAD FIRE PREVENTION ADMINISTRATION

HON. TIM L. HALL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HALL. Mr. Speaker, I am most pleased that President Ford has selected a constituent of mine, Mr. John L. Petersen, of Aurora, as his choice to be the Administrator of the National Fire Prevention and Control Administration within the Department of Commerce.

Mr. Petersen has been involved in fire prevention work since 1961 when he joined the Sugar Grove Fire Department. Since that time he has become a leading expert in the field. In 1972, the Governor of Illinois appointed Mr. Petersen to the Illinois Fire Protection Personnel Standards and Education Commission. Mr. Petersen has been a lecturer and instructor at the University of Illinois Fire College and the Illinois fire chief's advanced training seminars.

As soon as the other body acts on his confirmation, Mr. Petersen will become an outstanding Administrator of this most important new agency.

Mr. Speaker, I would like to include a report on Mr. Petersen's nomination from the April 12, 1975, Aurora Beacon News at this point in the RECORD:

FORD WILL NOMINATE AURORA MAN FOR POST

WASHINGTON.—President Ford announced Friday he will nominate John L. Petersen of Aurora, Ill. to be administrator of the new National Fire Prevention and Control Administration.

Petersen, 39, will head the agency created by Congress last October to conduct a comprehensive fire prevention and control program throughout the nation.

It will have a budget of \$45.5 million in the 1975-76 fiscal year.

Confirmation of the appointment must be made by the U.S. Senate, which is expected within two to three weeks.

Petersen is a partner in the law firm of Matthews, Jordan, Dean, Eichmeier and Petersen of Aurora. He has been involved in fire prevention work since 1961 when he joined the Sugar Grove Fire Department.

In January of 1972, he was appointed by Illinois Gov. Richard Ogilvie as a member of the Illinois Fire Protection Personnel Standards and Education Commission.

Gov. Dan Walker reappointed him to the commission in 1974. He has been chairman since January of 1972.

Petersen was born March 24, 1936 in Aurora. He received a bachelor's degree from the University of Illinois in 1958 and his LLB degree from DePaul University in 1961.

He has been a lecturer and instructor at the University of Illinois Fire College and the Illinois Fire Chief's Advanced Training seminars.

Petersen is married to the former Shirley Techen. They have five children.

His new government agency here is in the Department of Commerce.

He is the son of John S. Petersen, judge of the 16th Judicial District, and Mrs. Petersen, both of Sugar Grove.

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. DOWNEY of New York. Mr. Speaker, on March 3, I held a day-long public hearing in my district on senior citizens and the economy. I heard testimony from more than 2 dozen witnesses, including heads of senior citizen organizations, agency directors, and some very outspoken individuals representing themselves. The hearing room was packed with interested older Americans anxious to be heard by their Congressman as well as by the various public officials who were also in attendance.

Ms. Elsie Cosbey is the director of the Retired Senior Volunteers program—RSVP—of Suffolk. Her testimony is a strong endorsement of this program created under the Older Americans Act and administered by the ACTION agency. Her recitation of the benefits of this program should convince us all of the need to continue these programs that give a measure of dignity and worth to the lives of many retired persons. I include her testimony in the RECORD:

SENIOR CITIZENS AND THE ECONOMY

Our next speaker will be Elsie Cosbey, the Program Director of the Retired Senior Volunteer Program.

Ms. COSBEY. The Retired Senior Volunteer Program of Suffolk is sponsored by Suffolk Community Council and funded by the Community United Way and ACTION. RSVP is in its third year of a five-year project. The original proposal was approved to provide meaningful volunteer assignments for 1,500 persons over sixty. A survey indicating this need was made by Suffolk Community Council in 1969. Since then, Suffolk County and its institutions have grown. We know that there are many more assignments that could be filled in 1975.

Currently, there are 517 RSVP volunteers serving in fifty-two agencies in Suffolk. Most RSVP volunteers serve three to five hours weekly giving their time, talents and experience. RSVP arranges for out-of-pocket expenses, transportation and meals if appropriate.

In October, 1974, there were 621 RSVP volunteers. 175 RSVP volunteers lived in Congressional District Two serving in eighteen different agencies or organizations. Since then, many more volunteers have asked for placement. More agencies have requested RSVP volunteers.

During the first two years of the RSVP grant, ACTION was most encouraging in its financial support. RSVP in Suffolk was scheduled to grow from 621 to 800 volunteers by October, 1975. Our current budget now reduces RSVP to 500, 121 less than during the previous year. The required community support of thirty per cent is exceeded. The value of RSVP is well recognized in Suffolk. The contribution to the well-being of residents of Suffolk can be seen in a summary of RSVP activities during April, 1974. 416 RSVP volunteers worked 4,784 hours, face-to-face with 5,650 elderly persons, 2,264 adults, and 1,023 children. They have been making a tremendous difference in the lives of many who are handicapped or disadvantaged. Other RSVP volunteers provided indirect services which permit small voluntary organizations to function more effectively. The numbers served were too great to enumerate.

Not only did RSVP volunteers help others, they helped themselves. Most RSVP volunteers declare that they receive more than they give. This involvement in the community adds to his assurance. He can and does receive information referral as well as social contact through this association. In short, RSVP is not a problem of the aging but, rather, a solution to many of these problems. Because of this aspect of RSVP service to the elderly, RSVP would benefit by stronger linkage to other programs for the aging through the Administration on Aging of the Department of Health, Education and Welfare. The primary emphasis in RSVP is in serving the elderly by developing a satisfying role in community service. RSVP is a most efficient means of utilizing the resources of our most experienced members of society to expand the resources of our community. The cost is little. The results are great.

May I urge you, Congressman Downey, to work toward greater support for the Retired Senior Volunteer Program so that your district can avail itself of the valuable experience of its seniors.

The CHAIRMAN. Would you just tell the people in your own words where they can go for the RSVP Program?

Ms. COSBEY. Retired Senior Volunteer Program Office is at 2364 Middle Country Road in Centereach. Our telephone number is 981-7666.

Volunteers work three to five hours in a variety of agencies. In Maryhaven School for Educable Retarded, in the Suffolk Infirmary, Kings Park Hospital, in Burrwood Home for the Blind, in the Pilgrim State Hospital, in the schools and libraries, in our office, in many nursing homes, in each of the communities, in Northport Veterans Hospital.

We try to match your talent, the talents of the senior, to the needs of the community in placing him in his voluntary assignment. I have a copy of the study and a listing of Congressional District Two members in here.

The CHAIRMAN. Thank you.

Let me tell you that, again, the news is bleak with respect to the agencies that handle not only the RSVP Program but a score of programs like the Peace Corps and VISTA. For fiscal 1976 the President has requested about \$1,800,000 below the 1975 level.

In terms of program monies for the RSVP Program, I believe it is either at or below what you got this year.

Ms. COSBEY. Just about the same.

The CHAIRMAN. How do your senior citizens get to the Centereach Center?

Ms. COSBEY. They don't get to the Centereach Center. We work out of there. We go to them, and we do try to arrange transportation for them. This is the main portion of our budget, and, of course, inflation has hit us very severely. And now we find we can't transport as many people for the same amount of money.

The CHAIRMAN. What do you think the same budget level authorization will have on your program? Will you be able to expand it?

Ms. COSBEY. No. By attrition we are limiting it now to 500. For the same amount of money, we were operating last year for 621.

The CHAIRMAN. So if it stays the same, you can actually do less because your costs are greater?

Ms. COSBEY. The seniors are requesting reimbursement.

The CHAIRMAN. Thank you, Ms. Cosbey.

You can rest assured that the Congress is not in agreement with the five and a half per cent increase in Social Security. Nor am I. I think it should be more. At the very least, I think we need to provide cost-of-living increases in these programs so the benefits can at least come to you in the same level as last year.

HATCH ACT REVISION SUPPORTED

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HARRIS. Mr. Speaker, at the April 14 hearings in Annandale, Va., on H.R. 3000, a bill which will revise the Hatch Act, Mr. Theodore W. Taylor, former Deputy Commissioner of the Bureau of Indian Affairs, gave a thoughtful presentation. I would like to share it with my colleagues:

REMARKS OF THEODORE W. TAYLOR

On the basis of 38 years of government service involving staff work in the personnel field, being an employee under civil service and political appointee supervisor, and as a supervisor of others, I believe my experience may be relevant to the proposed amendments to the Hatch Act. Also for several years I have been teaching public administration part-time at George Washington University, the School of Continuing Education of the University of Virginia, and Southeastern University.

The federal administrative agencies that carry out the programs authorized and funded by Congress have been called a fourth branch of government. They have over 2,000,000 employees. They affect our lives in many ways—regulating interstate commerce and food and drugs, supporting services for housing and education, regulating our monetary system, administering tax laws and benefit programs, as well as protecting our national security. The efficiency and responsiveness of this vast array of government commissions, departments, agencies and bureaus are critical to this nation's welfare.

The Hatch Act was the result of abuse of the power residing in heads of agencies over their employees. The abuse was coercing such employees to act in a partisan political manner. The penalty for not yielding to the wishes of a partisan superior might be harassment, lack of promotion, or being fired. Without restrictions on political activities, there was greater temptation, too, to hire on a partisan basis rather than on merit. Even with the Civil Service Act of 1883 and the Hatch Act these temptations and pressures exist. What does an employee do if he receives an invitation from his department head to go to a partisan fund raising dinner at \$100 a plate?

Use of federal employees for partisan purposes reduces the efficiency and responsiveness of agency operations. Further, it warps impartiality and fairness in carrying out the programs established by the Congress. There is the temptation to favor your friends and neglect your enemies (John Dean put this philosophy in a little stronger language). Should political partisanship become a larger factor in public administration, the credibility of such government services would be damaged with the people being served, and rightly so.

However, there are those that disagree with the above view. I remember hearing Patrick Moynihan state at an ASPA luncheon that the civil service merit system was too rigid and resulted in the inability of political appointees of the President to achieve responsiveness in carrying out their programs. I think this is a mistaken view. He had not served as a civil servant. Most people that I have worked with in the federal government are anxious to carry out the intent of the law and in the manner desired by their superiors. Frequently, political superiors assume their policies will become known by osmosis, or they are completely at sea in the complicated and demanding positions in which they find themselves. Thus directions

and guides to subordinates may never materialize or may be half baked and result in greater problems.

A basic defect in the Nixon administration was the deep distrust of civil service employees by Nixon and many of his appointees. Instead of leading and working with the program people in the agencies they tried to ignore them or go around them. They reorganized to eliminate top civil service positions to put partisans in their place. Constant reorganizations occurred and political appointees were rotated at a dizzying pace. The people in the bureaus received little direction, could not obtain answers to major policy issues, and were kept in constant turmoil. If such employees had not had statutory guidelines and major policies and approaches worked out through experience, considerably greater disorientation would have taken place. If such employees had not been dedicated to the public service and the programs with which they were charged, the federal government would have come to a near standstill. As it was, the lack of leadership and constant reorganization resulted in lost motion, lost efficiency, and considerable demoralization.

The main point is that without a non-partisan, program dedicated corps of civil service employees such goings on would have resulted in governmental chaos. If some of the provisions of the bill under consideration had been in effect I suspect there would have been additional disorganization and diversion from legislative objectives.

The proposed amendments to the Hatch Act have laudable objectives—to enable government employees to be full fledged citizens with rights to participate in partisan political activities. I like this objective. I have chafed under civil service restrictions because I could not be an officer in a local partisan party organization. My frustrations were relieved somewhat by being able to campaign for independents for local government offices in Arlington and I have done this. The proposed amendments are thus very appealing.

My problem is primarily with two of the proposed changes: (1) serving as an officer or conducting a partisan political meeting or rally, and (2) candidacy for any public office. If my bureau chief or the secretary of the department engaged in these activities, and I as an employee was not prohibited by law from engaging in such activities, I believe the temptation would be very great to persuade able employees to participate in key campaign activities. The employee would have little defense if he resisted. His job future is important to him. He is dependent upon it for bread and butter. It is difficult to pin down subtle pressures. It is hard to prosecute flagrant abuses because they are difficult to prove. Pressure would not have to be in the form of direct orders. I have talked with staff members of the CSC and I have been in personnel work myself. Discrimination by a superior against any employee is almost impossible to document and prove—unless he is dumb enough to put it on the record through a prejudicial statement or clearly documented prejudicial act.

Can the above problems be controlled through surveillance and effective prosecution and penalties? I do not know. It seems to me that the difficulties of substantiating a case of partisan political pressure may prevent effective sanctions.

So the issue the committee has to decide is whether the additional political freedoms which the amendment would provide can be safeguarded from abuse. My visceral reaction is that this would be difficult. But if you are satisfied that such abuse can be prevented, I would be very happy to see such political freedoms installed. I do not believe that you should conclude that abuse can be prevented by simply specifying penalties and

assigning responsibility for enforcement. I believe you need assurance from professionals in personnel who have worked on discrimination cases and from attorneys and others in the CSC and the Department of Justice. They have had experience under the present statutes and would have to wrestle with the enforcement problems of the proposed amendments.

As previous testimony has demonstrated, employees and their unions are not all of one mind on this matter. And the ASPA which met in annual convention earlier this month passed a resolution which I understand will be referred to your committee and with which I find myself in general agreement.

The importance of the administrative departments and bureaus to our welfare is obvious. We need to promote their effectiveness and responsiveness to the American people.

JOSEF CARDINAL MINDZENTY

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. MADDEN. Mr. Speaker, the world suffered a great loss with the death of Josef Cardinal Mindzenty, who passed away on May 6, 1975 at the age of 83. He stood for principles that all of us admired and served his principles by spending almost one-third of his life in prison or exile. He was a leading opponent of communism and all the evils of the Communist way of life. He was a man who helped all of us to respect freedom. Following is an article by Rod MacLeish on the greatness of Josef Cardinal Mindzenty:

CARDINAL MINDZENTY

(By Rod MacLeish)

The valor of one era often ends up as the obdurate foolishness of another. As long as there was Rhinish mysticism, Siegfried was a hero. He now appears to be a bellowing ninny. Who, in the age of deodorants and self-pity, would want to spend a weekend with Beowulf? The definition of heroism depends largely upon the people in charge of time and events. Josef Cardinal Mindzenty, who has just left us at the age of 83, was a classic example of what can happen to people who get caught in the meshing gears of history. A stalwart of the Cold War when its lines and values were starkly drawn, he became, in the next round of events, a nuisance to authority.

The Hungarian Cardinal exemplified the hero as hold-out. In his long and difficult career he stood up to an assortment of thugs from the Nazis to the several species of Communists who revolved in and out of Hungarian authority at the behest of the Soviet Union. The issues that landed Cardinal Mindzenty in prison and in torture chambers were constant: he defended his church against secular power which hated it, he protested the persecution of Catholics, Jews and people of no particular belief or offense. And everybody cheered because he was the hero of a particular time, place and need.

Then, after 15 years' refuge in the American embassy in Budapest, the world shifted out from under him. Moscow decided to co-exist peacefully, the West agreed to think about detente and balances of payments instead of Armageddon. Pope Paul VI recognized that the time for symbolic stalwarts was over and ordered Mindzenty to leave the embassy and come West. President Nixon

advised the Cardinal to bow to his fate. He came West. In February, 1974, the Vatican announced that he was no longer prelate of Hungary.

One doesn't remark upon all of this to castigate either what he was or what the world became. But the hero as hold-out has no place in an era whose rueful acceptance has robbed us of things to hold out against. That sighing realization was what Cardinal Mindzenty was left with.

That and the sound of one hand clapping.

NO COMPROMISE ON PRINCIPLES

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. KASTEN. Mr. Speaker, the rights of the Baltic States must not be compromised during these final stages of negotiations at the Conference on Security and Cooperation in Europe. Contrary to Soviet designs, the United States will never recognize the illegal, forced annexation of these independent nations. We stand firmly behind the right of these once-sovereign nations to national self-determination, a principle we Americans cherish. To express my personal concern and commitment, I, in fact, have cosponsored a bill, House Concurrent Resolution 255, which denies recognition of the status quo.

The passage of time has not in any way legitimized the incorporation of Estonia, Latvia, and Lithuania by the Soviet Union in 1940. The intervening years have not dimmed the hopes of these proud and courageous peoples. Their efforts are not in vain. The aspirations of freedom must be kept alive. We Americans support the just claims of the Baltic peoples for the return of their nationhood.

Relations among states should be based upon principles to assure equality and respect. The rights of small states to national existence must be protected against the onslaught of aggression, no matter the pretext. The set of principles put forth at the Conference embodies those ideals which we Americans strive for and revere. We can hope that the Soviets will respect these goals and liberate the Baltic States.

"Self-determination of peoples" must not be a vacuous phrase. To agree in principle and contradict in practice is sheer hypocrisy and a breach of international understanding. The entire basis of this Conference then becomes questionable—form rather than substance. Again, we call upon the Soviet Union to reverse its policies of oppression toward Estonia, Latvia, and Lithuania. Let them regain their rightful places as sovereign nations in the world community. To do otherwise would render the agreement on principles meaningless and void.

The free world has not forgotten and will never forget the plight of the subjugated Baltic peoples. We will continue to actively seek the return of sovereign status to Estonia, Latvia, and Lithuania. The United States will never sanction

this deprivation of national sovereignty. There will be no compromise on principles at the European Security Conference. The goal of self-determination for the Estonians, Latvians, and Lithuanians will not be sacrificed. The continuing Soviet occupation of the Baltic States must come to an end.

NATIONAL NURSING HOME WEEK

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. ROBINSON. Mr. Speaker, I should like to take this opportunity to join President Ford in saluting the American Health Care Association and its members for their efforts to provide quality care for the Nation's infirm elderly and chronically ill citizens. The association, I am informed, represents approximately 8,000 health care facilities with a total of about 600,000 patient beds.

Along with Governor Mills Godwin of Virginia, I should like to recognize, in particular, the work of the Virginia Nursing Home Association, an affiliate of the national organization I have mentioned, in striving to upgrade the quality of extended care facilities and the proficiency of their personnel.

President Ford, Governor Godwin, and many other public officials across the Nation have taken public note of National Nursing Home Week, which now is in progress and will end Sunday, May 18. A chief feature of the observance is the open invitation of the participating nursing homes and similar establishments to the public to visit this week, inspect the facilities and meet the residents and staff.

As the President noted in his statement,

Such civic involvement is a useful way of bringing the community into the lives of nursing home residents and thus making their days more interesting and enjoyable.

Leaders of the extended health care industry acknowledge that there remains a need for improvement in many homes, and that the higher standards being brought into effect by regulation must be monitored, in the interest of the residents and of the majority of progressive homes which meet, and often exceed, these standards.

At the same time, it seems appropriate to comment and encourage the dedicated health professionals, supportive staff personnel, and volunteers who are combining to provide comfortable lives for so many citizens obliged by infirmity or illness to spend extended periods in "homes away from home".

I have been pleased to read, as I am sure have relatives and friends of the residents, feature articles in several newspapers of Virginia's 7th Congressional District in recent months which have detailed the characteristics of outstanding nursing homes in their communities.

Let us take advantage of the invitation to visit a nursing home this week.

FOR AN ADEQUATE DEFENSE

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HILLIS. Mr. Speaker, I would like to take this opportunity to draw the attention of my colleagues to the editorial entitled, "For an Adequate Defense," which appeared in the May 12 edition of the Wall Street Journal. The author of this article, Eugene V. Rostow, is a great American and noted authority in international affairs. Mr. Rostow's comments are extremely timely and deserve the careful consideration of the Congress.

The article follows:

FOR AN ADEQUATE DEFENSE

(By Eugene V. Rostow)

The best diplomatic signal the United States could give the world now would be a sharp increase in our defense program. It will take more than brave words and summit meetings to restore the stability of the world political system. That condition obtains only when our friends and our adversaries are equally convinced that American treaties and other commitments, which are the only cement of the system, radiate genuine deterrent power. At the moment, it is a little difficult to be convincing on that point.

There is a paradox in the state of our opinion about foreign policy. Despite the flurry of bad news in recent months, our basic security position is strong—stronger than has been the case since 1949. The rising pressures of Soviet expansion, and the logic of the nuclear weapon, have forced China, Western Europe, Japan, and many other countries under threat to realize that their security interests and our own are "indivisible," as the French say, and will remain indivisible for the indefinite future. The world is becoming smaller, more interdependent, more dangerous, and more bipolar. We shall remain altogether capable of protecting our interests in that world, if we understand our position as it is, and do what is required to sustain it.

But we do not feel stronger. Quite the contrary. We are uncertain about our course, and are allowing our advantages to erode. Above all, we are bitterly divided, when we should be confronting our problems together with all the optimism, energy and good sense which have always characterized American policy at its best.

How can it be that our position is quite good, objectively, while our subjective perception of it is so melancholy and defeatist?

The explanation for the paradox is that the prevailing American view of world politics, still reeling under the shock of Korea and Vietnam, and attracted as always by nostalgia for the mythical Golden Age of American isolation, has been deeply confused by the misleading Nixon-Kissinger vocabulary for talking about foreign policy. Mr. Nixon did not end the "Cold War," achieve "detente," and substitute "negotiation for confrontation." A condition of "detente" with the Soviet Union has been an unremitting goal of our foreign policy since President Roosevelt's time. It has not been reached. There has been improvement in our relations with the Soviet Union, save in the realms of public relations and wishful thinking. Soviet policy is exactly what it has been since 1944 or 1945, except that its pressures are greater and more diverse than ever, and more difficult to deal with, because they are backed by more force.

THE SOVIET EXPANSION

The Soviet Union continues to pursue policies of expansion which threaten our vital interests in many ways: our interests in access to raw materials; in strategic, naval, and space communication; and in the balance of power itself, through Soviet or Soviet proxy threats to nations whose political independence is vital to our own security, and nations to whose future we are committed for even deeper reasons of history, kinship, and honor. They press steadily to envelop NATO and Japan, and seek to gain power in many other regions of the world.

Soviet policies of expansion are based on a military array which is growing at the rate of 5% a year, in real terms. The Soviet armament effort has no parallel in modern history. Meanwhile, our own expenditure for defense is declining in real terms, and in many categories amounts to unilateral disarmament. It has fallen to the lowest point since the period just before the Korean war.

It follows, at a minimum, that we should build up our military capabilities in order to avert a catastrophic military imbalance. But the defense budget proposed by the Ford administration would keep our defense posture constant, if the rate of inflation turns out to be no more than 10% and all the other cost estimates on which the budget rests prove to be accurate. A static defense program is not enough, in view of the increasing pressures of Soviet policy, and the Soviet defense build-up. That build-up must be countered, if the basic security of the nation is to be assured, particularly by increases for the Navy, for our ready forces, and for research and development. The estimated costs of the increased capabilities recommended in the recent Task Force Statement issued by the Coalition for a Democratic Majority, would be of the order of \$10 billion.

The goal of our nuclear policy is to prevent the use or the credible threat to use nuclear weapons in world politics. The heart of the matter is the concept of "second-strike capability," which must at all times be beyond the shadow of a doubt. Second-strike capability cannot be measured by counting the number of ground-based, air-based, and submarine-based launchers on each side, or the number of missiles which can be MIRVed. The key issue is and will remain whether the Soviets can have any reasonable expectation of being able to destroy so large a number of our weapons by a first strike as to create doubt about our second-strike capacity, or our willingness to respond to a nuclear attack as necessary. That question is addressed to the total number of warheads on each side, and the respective capabilities of all Soviet and American launchers.

This is the basic flaw in the Ford-Brezhnev "agreement to make an agreement" announced in Vladivostok. That understanding was addressed to the number of launchers and the number of missiles that could be MIRVed on each side. It tells us nothing about the number of warheads each missile might carry, and the number, yield, capacity, accuracy and range of the warheads themselves, however launched. The Soviet missiles that can be equipped with MIRVs have three to six times the payload of the corresponding American missiles. The result could be an ominous Soviet advantage in strategic warheads, and therefore uncertainty about the American second-strike.

The Vladivostok guidelines would build a dam across half the river. It is this gap which persuaded the C.D.M.'s Task Force to support continued research and development, expenditure for the B-1 bomber, intended to replace the aging B-52. SALT I did not deal with missiles delivered by bombers at all. And the Vladivostok communique speaks only of missiles delivered by "strategic" bombers. The Soviets are making an impressive "medium" bomber, capable of delivering

missiles on many American and American-protected targets. We should therefore proceed with the B-1, pending an agreement that equitably and verifiably limits bombers and all other missile launchers.

The Soviets are building towards superiority in strategic forces, spending annually about twice as much on them as we do, while we have unilaterally frozen the level of our strategic forces.

The Secretary of State has asked, "What in the name of God is superiority? What do you do with it? How do you use it?" The Soviets can answer this question. They are squeezing their economy and their people for the sake of a military goal they believe has meaning today. It offers them the credible possibility of being able to make or to threaten selected strategic attacks against our military dispositions and our allies, while keeping enough warheads in reserve to discourage a reply on our side against either military or civilian targets. Who can deny that such a capability, if achieved, would give them, at a minimum, an immense advantage in the diplomacy of blackmail they have practiced for more than 30 years?

The Task Force Statement therefore urges research and development expenditures on several aspects of our strategic weapons program. These proposals go beyond those of the administration, although they are modest when compared with the Soviet budget. Such action is indispensable if we are to insure that no American President should ever have to choose between yielding vital American interests or destroying the Soviet—and the American—people.

THE IMMEDIATE CHALLENGE

Critical as the problem of nuclear balance is, our greatest immediate challenge is to maintain an adequate U.S. military potential in the non-nuclear field. Thus far nuclear stalemate has given the Soviets the opportunity to inspire conventional wars and proxy wars—an opportunity which has become nearly a license with the decline since Korea of the will of the Western allies to insist on the enforcement of the United Nations Charter. The policy of deterrence must apply at the conventional as well as the nuclear level.

Comparing Soviet and American conventional military potential is a somber exercise. Soviet general purpose forces are increasing steadily in strength and mobility, backed by formidable sea power and air-lift capacity. The Soviet Union has 50%, and perhaps 100% more men under arms than the United States, 3.4 million (or about 4 million) for the Soviets to 2.2 million for the United States, depending on whether one lists border guards and internal security units among the Soviet forces, and how one deals with the high ratio of support to combat troops in all American formations.

The Soviet Union has four times as many tanks as the United States, and at least five times our tank production rate. They are ahead of us three to one in artillery tubes, two to one in heavy mortars and 40% in tactical aircraft, which they are producing at double our own rate. Their air defenses are far greater both in home deployment and in mobile or transportable systems.

The Soviet Union's new blue water Navy is expanding at an astonishing pace. They have almost as many surface ships as we do, and over three times as many submarines, other than ballistic missile submarines. Here again, their building programs are far, far greater than our own.

On net, the Task Force Statement concludes, "our conventional military resources are in many important respects inferior" to those of the Soviet Union. And our programs for revitalizing and restoring those resources are so modest "that we are falling further and further behind."

The statement does not recommend a crash program, seeking to catch up to the Soviets in every category, overnight. It does recommend an increase in expenditures, particularly for the Navy, for ready forces, and for certain critical weapons and weapons systems, designed "to maintain a prudent deterrent against aggression."

A MOOD OF SOMNAMBULISM

The most important problem of our foreign policy is that we and our allies seem to be in a mood of somnambulism similar to that which paralyzed France, Britain, and the United States during the thirties. If we and our allies had been able to wake up then, the Second World War, and all that flowed from it, could easily have been prevented. We and our allies have the capacity to prevent an even more terrible war today.

The United States should be the master, not the victim, of its fate. The dangers before us demand a great and concerted national effort—a sharp and dramatic turn in the direction of policy. That turn will require earnest political debate. But it will require something more—a resolve to face the issues, and undertake that debate.

Thus far, at least, resolve has been the missing factor in the politics of national defense. It is the key factor.

EAST STROUDSBURG HIGH SCHOOL BAND

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. McDADE. Mr. Speaker, as our Bicentennial celebration gets underway, today is Pennsylvania Day, a day in which we recognize the unique contribution the Keystone State has made to our Nation's greatness. This morning, in ceremonies at the Capitol, participants in Pennsylvania Day were treated to a musical program by one of the finest high school bands in the entire Nation, the East Stroudsburg, Pa., High School Concert Band.

This splendid group of 90 young people under the direction of Mr. John Casagrande got our celebration off to a marvelous start. Because they have been honored by being selected to appear here, I think it is appropriate that the Congress take note of their presence and their many achievements.

The East Stroudsburg High School Concert Band has performed across the Nation winning recognition everywhere for their musical excellence. Twice having appeared on national television, they were selected State band champions for the last 10 consecutive years. I might note that eight of those awards were received under the leadership of Mr. Casagrande. The Pennsylvania Musical Educational Association rates them Division One—Superior, the highest accolade any high school band can receive in our State.

They were selected to play for Pennsylvania Day by the Pennsylvania Federation of Music Clubs who recognized that they represent some of the finest young musical talent in our country. I

am tremendously proud to represent these young people and their leaders here in Congress. I know the Members of this body will want to join me in saluting their achievements, welcoming them to Washington, and thanking them for participating in Pennsylvania Day here in Washington.

THE GREEK PEOPLE WILL ALWAYS BE FREE

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. ZEFERETTI. Mr. Speaker, no nation has a prouder heritage of liberty and freedom than Greece. No people has a history of greater devotion to individual dignity than do the Greek people. Yet throughout their history, they have been plagued by dictatorships in a variety of forms.

In one era after another, tyranny has been visited upon these people by either an outside invader or a domestic dictatorship. As a result, the history of Greece has many pages darkened by the blood of free people who struggled against all odds to shed the rule of their oppressors.

For many years, Turkey and Greece have confronted one another, divided by ancient rivalries. While the Greeks have sought to fulfill their national goals, Turkey has often sought to thwart those goals by military means. In this century, some bloody chapters have been written, not the least of which was the expulsion and murder of the Greek communities of western Turkey at the end of World War I. Now another chapter has been written at the expense of Greece and the Greek people by the Turkish invasion of Cyprus.

It was recently, that the people of Greece once again exhibited their feelings and devotion to a free life by breaking free from domination of a junta which had deprived them of the freedoms we take for granted. And, again, the vitality of the Greek tradition exhibited itself to world view, as vibrant and as meaningful to all mankind as it was in the days of Pericles, Sophocles, Aristotle, and Plato.

Today, there are some differences between the new government of Greece and the United States. These differences will, in time, be healed and bridged over and will be replaced by the traditional mutual respect and admiration characterizing our relations in the past. Meanwhile, it is imperative that Americans understand the reasoning motivating the people of Greece and bear with them in their time of trial.

It is important that we realize how great a contribution their ideals and their immigrants have made to our own country, our laws and our way of life. They have enriched the United States far beyond my ability to describe, and their concern for the well-being of both countries forms a basis for an ongoing understanding between us.

SOCIAL SECURITY BENEFITS NOT IN DANGER—AN ANALYSIS BY PETER MILIUS

HON. TIM L. HALL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HALL. Mr. Speaker, the security of social security has been brought into question by a number of recent reports. We have all seen the sensational headlines that the social security system is going broke.

Last week the trustees of the social security trust fund—the Secretaries of Treasury, Labor, and Health, Education, and Welfare—told us that total benefit payments are now expected to start outrunning total tax collections this year. This is, of course, not good news. However, as Peter Milius of the Washington Post, quite properly pointed out in a recent article, it is not the cataclysmic news it may have seemed to be.

Mr. Milius has written of the strengths and weaknesses of social security and the alternatives being considered to maintain the program. I want to share the insights provided by Mr. Milius' analysis:

SOCIAL SECURITY BENEFITS NOT IN DANGER

(By Peter Milius)

The Social Security system is not about to go broke. Congress will not let it.

Your elderly relatives are not going to lose their benefits.

You are not going to lose yours, either; when you retire, they will be there waiting for you.

For more than a year now, from both in and out of government, there has come a succession of increasingly bleak reports as to Social Security's future financial soundness. The bleakest report yet on the giant social insurance system came last week.

The Social Security trustees—the secretaries of the Treasury, Labor and Health, Education, and Welfare—told Congress that total benefit payments are now expected to start outrunning total tax collections this year, rather than some year in the far-off future, as they had earlier reported.

If nothing is done in the interim, the trustees said, the vast Social Security trust funds—\$46 billion at the start of this year—will be steadily drawn down, and by the early 1980s be exhausted.

The trustees' report was not good news, but neither was it the cataclysmic news it may have seemed. The system is not going to run out of money.

The way the law is written, Social Security benefits and taxes both now go up automatically each year, to keep up with inflation.

The trustees' report means that taxes will now have to go up faster than had been thought before, and benefits somewhat slower. But benefits will still go up, and will still be paid.

The mistake many people make about Social Security is in thinking of it in the same way as a private pension plan, or even an individual savings account: you pay in your money (and your employer also pays in, in your name), the government holds and invests it for you, then pays it back to you and your surviving dependents at your retirement or death, or if you become disabled.

If that were how it worked, each individual's money would simply be waiting in the trust funds for him or her to claim it; it would be frightening news to learn that the money was somehow disappearing, and the trust funds running dry.

In fact, however, the government has never wanted nor dared to take that much money out of the spending stream each year and squirrel it away. Rather than a pension plan or savings bank, the Social Security system has always been run much more like a kind of clearinghouse.

Economists call it a transfer system, a system under which the government simply transfers a certain amount of income each year from one part of the population to another. The money comes in from current workers and their employers, promptly goes back out again to retired and disabled workers, or survivors of workers who died before retirement.

You pay now to support your parents; your children will pay later to support you. The trust funds are almost incidental.

The system is formally known as old-age, survivors and disability insurance. It was set up in the Depression, at the same time and in the same spirit as federal unemployment insurance: to replace part of the income lost when through no fault of his own, a family breadwinner lost or was somehow forced to give up his job.

In the 40 years since, the Social Security system has become one of the dominant institutions in the U.S. economy.

One dollar out of every 20 that the American people now receive in income comes to them through Social Security.

More than 30 million persons are now drawing benefits each month—one-seventh of the population.

Total benefit payments next fiscal year are estimated at more than \$70 billion—almost a fifth of the federal budget.

Two basic problems are facing this system now, one of them long-range, the other short.

The long-range problem has to do with the baby boom that occurred in the years just after World War II, and that was followed by the present decline in the birth rate, the so-called birth dearth.

The baby-boom generation was big; the present generation is small. The baby-boom generation will start to retire about the time the present generation starts to work. In relative terms, there will be fewer active workers supporting more retired ones. There are now about three people working and paying Social Security taxes for every one collecting benefits. By the year 2010 or shortly thereafter, that ratio will be 2 to 1.

The shorter-range problem revolves around the law that Congress passed in 1972 to increase future benefits by the same per cent future prices rise.

Congress was actually restraining itself when it passed the law. When it had raised benefits before, it had always raised them more than prices (though not without reason; in 1959 benefits were so low that a third of the elderly people in the country were living in what the government officially defined as poverty). By 1973, that fraction had been reduced to one-sixth.

The problem in 1972 was simply that Congress, when it passed the law, underestimated the likely future inflation rate and thus the likely future benefit costs.

In addition, Congress miswrote the law in such a way as to increase the likely basic benefits of workers who will retire in the future much more than it had intended.

The law, besides simply raising the benefits of people once they are on the rolls, would also eventually raise what are known as replacement ratios, which Congress never meant to do.

Social Security benefits only replace a part of a worker's wages when he retires; the ratios tell you how large a part. Raising the ratios even a little raises the system's costs a lot.

With a few unimportant exceptions, the law now provides that only Social Security

taxes may be used to pay Social Security costs.

The Social Security tax is now 9.9 per cent of taxable wages, 4.95 per cent on both employer and employee. (The total amount you and your employer both pay each week is 5.85 per cent, but part of that is for Medicare for the elderly, not Social Security.)

This tax rate has gone up rapidly in recent years. So has the tax base, the part of an individual's earnings to which the tax is applied each year. That tax base is \$14,100 this year. Under the 1972 law, it will rise automatically each future year by the same per cent as average wages in the economy. It will be \$15,300 next year, more thereafter.

This increase each year in the tax base, however, will not be enough to meet all the system's coming costs.

Unless Congress takes some other action, the trustees thus said last week that the tax rate will have to rise to 10.93 per cent for employer and employee combined by 1985, 12 per cent by the year 2000 and 22.44 per cent by 2050.

A 22.44 per cent tax rate is plainly insupportable. The Social Security tax is already under attack as too high, as well as for being regressive, in that it takes a far higher percentage of a poor worker's total income than it does of one who is highly paid.

The trustees proposed, as a first step, that Congress rewrite the law it passed in 1972 so that, instead of rising, the system's replacement ratios will stay where they are.

The ratios now are about 60 percent for a low-paid worker—the benefits he first gets when he retires are about 60 percent of the wages he last got when he was working—40 percent for people making about the median wage, and 30 percent or below for the higher paid. The benefit structure is progressive, which to some extent offsets the regressiveness of the tax.

If Congress does rewrite the law this way, as it probably will, the system's long-range costs will be much lower than now projected. Instead of a hypothetical tax rate of 22.44 percent by the year 2050, it would need 16.32 percent.

That still means, however, that somewhere in the future either taxes will have to be speeded up or benefits slowed down.

It also leaves unresolved the system's more immediate problem, the fact that inflation is higher than anyone thought it would be in 1972, that benefits and costs are thus rising faster than was then foreseen, and that the system will start eating into its trust funds this year.

To deal with this, the trustees, speaking for the administration, proposed that the Social Security tax on employers and employees combined be increased the equivalent of 1.2 or 1.3 percentage points sometime in the next few years. (No one wants to raise the tax until the recession is over.) They left for later the next question, which is whether to achieve the increase by raising the tax rate or the tax base.

Such groups as organized labor would rather raise the base; doing that makes the tax less regressive.

What labor would really like to do, however, is stop financing the Social Security system solely out of the Social Security tax, and start shoring up the system instead with general revenues.

Opponents say such a step would destroy the system, in that there would no longer be a fixed relationship between what a person puts in and what he or she eventually gets out. That is also the view of the administration.

In various indirect ways, however, Congress already has begun moving toward the use of general revenues to supplement Social Security.

One such indirect step was taken in 1972, when Congress federalized and began to beef up the nation's so-called adult welfare pro-

grams—old-age assistance and aid to the blind and disabled.

These welfare programs are paid for out of general funds. If a worker retires or becomes disabled and his or her Social Security benefits are below the welfare level, these welfare programs will make up the difference.

The Social Security system thus no longer has to worry so much about those receiving minimal benefits; the welfare programs take some pressure off.

Congress also took some pressure off, indirectly, when it passed this year's tax cut to low-paid wage-earners with children. Though no one said so, it was understood that the cut in income taxes was intended to offset the Social Security taxes such people pay.

Instead of putting income tax money directly into Social Security and cutting Social Security taxes, Congress did it the other way around.

General revenues are one possible solution to Social Security's problems. And if not that, Congress will find another. Those 30 million people receiving benefits—a lot of them vote.

CULTURAL ASSETS OF CONTRA COSTA COUNTY

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. MILLER of California. Mr. Speaker, I would like to call the attention of my colleagues to a most unusual and desirable addition to the cultural assets of Contra Costa County—most of which lies in my own Seventh District of California.

The city of Concord, with assistance from the Mount Diablo Unified School District, has recently completed construction of the \$4.5 million Concord Pavilion. Nestled in the gently sloping foothills in eastern Concord and Contra Costa County, this pavilion is most artistically designed to blend the structure and its audience into the tranquil countryside, with the majestic Mount Diablo as a backdrop.

The pavilion will bring all the performing arts to the people of Concord, Contra Costa County, and northern California. Its design flexibility makes the pavilion adaptable for symphonies, ballet, chamber music, opera, drama, musical theater as well as circuses, ice shows, spectator athletic events, religious gatherings, political rallies, arts and trade shows, conferences, fairs and conventions. The pavilion fulfills a long-time need in the area for a large auditorium facility.

The 8,000 seat pavilion will be the family entertainment center of Contra Costa County and also a facility for the 50 schools of the Mount Diablo Unified School District to utilize the musical, educational and theatrical programs year-round.

World famous performers and productions will give life to the pavilion stage and its unique sound system. It will be one of the world's most versatile multi-use facilities and the only one of its kind west of the Mississippi River.

The opening performance on Friday, May 16 at the Concord Pavilion will be a

benefit show featuring Henry Mancini and his orchestra and jazz vocalist Sara Vaughn. In July and August, the Concord Summer Festival, featuring an outstanding jazz program, will move to the pavilion after six highly successful years at Concord Boulevard Park. Later this summer the San Francisco Symphony will play a series of concerts.

I know the Members of this House will want to join me in congratulating the city of Concord, the Mount Diablo Unified School District, and Contra Costa County on the opening of the Concord Pavilion.

REDUCED AIRFARES FOR SENIOR CITIZENS

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. PRITCHARD. Mr. Speaker, just a few weeks ago, the Civil Aeronautics Board turned down a proposal for discount airfares for senior citizens. Trans-World Airlines proposed knocking one-third off the regular coach fares for senior citizens who agreed to fly on a "stand-by" basis. In other words, senior citizens could board a flight with a reduced fare if all the seats had not been taken by passengers paying higher fares entitling them to reservations.

TWA's proposal would have been good for all concerned. Senior citizens could avail themselves of lower airfares. And TWA would have, in their own words, furthered their efforts toward "stimulating increased leisure travel" at a time when the industry has been suffering record losses. In rejecting the proposal, the CAB said, in effect, that senior citizens must ante up the full fare and the airlines must continue to fly planes with empty seats.

It is particularly ironic that the CAB expressly rejected the bid of TWA to offer discounts to senior citizens. Just last month, the CAB restored the youth fare to Europe.

In the 93d Congress, I introduced legislation authorizing the airlines to offer reduced standby airfares to the elderly. Had my measure passed, TWA could have instituted their discount proposal. Today, in light of the CAB's decision, I am reintroducing my proposal. For the benefit of my colleagues, I insert the text of my bill in the RECORD at this point:

A bill to amend the Federal Aviation Act of 1958 to authorize reduced-rate transportation for elderly people on a space-available basis

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the last sentence of section 403(b) of the Federal Aviation Act of 1958 (49 U.S.C. 1373 (b)) is amended by inserting "and elderly people" immediately after "ministers of religion".

(b) Such section 403(b) is amended by adding at the end thereof the following new sentence: "As used in the preceding sentence, the term 'elderly people' means individuals aged sixty-two and older."

CAPITALISM VERSUS STATISM

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. McDONALD of Georgia. Mr. Speaker, an attack often made against capitalism is—oddly enough in the light of Marxist dogma—that it creates too much wealth. Many English aristocrats in the 18th and 19th centuries hated to see the "common" man with newfound wealth made possible by capitalism—inherited wealth was noble, created wealth was somehow vulgar.

The same sort of attack is levelled today by John Kenneth Galbraith in "The Affluent Society": capitalism leads to affluence and the expenditure of money on the "wrong" sorts of things.

It follows that the government—the state—should take this wealth from the people and spend it on more appropriate things. Why? Well, to benefit the people, of course. But how can it benefit them? If to make them richer, this cannot be done by taking their wealth.

Not only is this an old argument, but its logical absurdity has long ago been exposed. One excellent example is provided in "Macaulay: Defender of Capitalism," an article by Bruce Bartlett which appeared in the May 1975 issue of *The Freeman*.

The article follows:

MACAULAY: DEFENDER OF CAPITALISM

(By Bruce Bartlett)

Thomas Babington Macaulay was born in 1800. In 1825 he began his writing career and soon became one of England's most popular essayists. In 1848 the first volume of his magisterial *History of England* appeared and became an instant success, rivaling only the works of Byron and Sir Walter Scott in popularity. Owing to its brilliant style and encyclopedic collection of facts, it established Macaulay's reputation for all time. In 1857 he was raised to the peerage, died in 1859, and was buried in Westminster Abbey.

Like Lord Acton, Lord Macaulay is an outstanding representative of the Whig tradition and true liberalism in the nineteenth century. In his works he constantly stressed the history of liberty as fundamental to human progress. Consequently, he was also a strong supporter of capitalism and laissez-faire, both in his writing and in numerous speeches before Parliament. His most vigorous effort was in a review of Robert Southey's *Colloquies on Society for the Edinburgh Review* in January, 1830.

Southey was Poet Laureate of England at the time. In 1829, however, he had temporarily abandoned his poetry to take up social commentary. Ostensibly, his book was only a collection of conversations between himself and the ghost of Sir Thomas More; but this was only a literary device to allow him to present his own opinions about society in general. Macaulay easily saw through this and took Southey firmly to task for this departure from his poetry:

"It would be scarcely possible for a man of Mr. Southey's talents and acquirements to write two volumes so large as those before us, which should be wholly destitute of information and amusement. Yet we do not remember to have read with so little satisfaction any equal quantity of matter, written by any man of real abilities. We have, for some time past, observed with great re-

gret the strange infatuation which leads the Poet Laureate to abandon those departments of literature in which he might excel, and to lecture the public on sciences of which he still has the very alphabet to learn. He has now, we think, done his worst."

From this opening barrage, Macaulay went on in similar style to review all of Southey's pronouncements. Today they would be considered left-wing, but in his time Southey was considered the voice of ultra-Toryism. His brand of Tory conservatism taught that all in the past was good, and therefore, he was contemptuous of any change. In a time of rapid social change brought on by the Industrial Revolution, Southey wanted government to control undesirable trends. He was particularly incensed by the growing prosperity of the new capitalist class.

His distaste for the capitalist was a logical consequence of his conservatism. He hated seeing "common" men with wealth which had heretofore been reserved only for the aristocracy. Southey also hated the source of this new wealth, rooted as it was, not in large land holdings, but in factories. To Southey, this new manufacturing system was "a system more tyrannical than that of the feudal ages, a system of actual servitude, a system which destroys the bodies and degrades the minds of those who are engaged in it."

WORSE OFF WITHOUT FACTORIES

Macaulay's reasoning, rooted much more thoroughly in reality, was that without the factory system there would be mass starvation. "When we compare our own condition with that of our ancestors," he said, "we think it clear that the advantages arising from the progress of civilisation have far more than counter-balanced the disadvantages arising from the progress of population. While our numbers have increased tenfold, our wealth has increased a hundredfold." Macaulay went on to remark that it was the very increase in wealth which had brought on the complaints of industrialization. Where wealth is great, he said, suffering is more obvious and thus, more loudly bewailed.

With the wealth of industrialization spreading rapidly to all classes of society, Southey was also concerned that government was not getting its share. Thus his favorite theme is that a people may be too rich, but a government cannot be. "A state," he says, "cannot have more wealth at its command than may be employed for general good, a liberal expenditure in national works being one of the surest means of promoting national prosperity; and the benefit being still more obvious, of an expenditure directed to the purposes of national improvement. But a people may be too rich."

Needless to say, Macaulay has a field day with such absurd logic, in spite of which it has survived to the present day in John Kenneth Galbraith's *The Affluent Society*. "What does he mean by national prosperity?" Macaulay asks. "Does he mean the wealth of the state? If so, his reasoning runs thus: The more wealth a state has the better; for the more wealth a state has the more wealth it will have. This is surely something like that fallacy, which is ungallantly termed a lady's reason. If by national prosperity he means the wealth of the people, of how gross a contradiction is Mr. Southey guilty. A people, he tells us, may be too rich; a government cannot; for a government can employ its riches in making the people richer. The wealth of the people is to be taken from them because they have too much, and laid out in works, which will yield them more."

"We are really at a loss," he concludes, "to determine whether Mr. Southey's reason for recommending large taxation is that it will make the people rich, or that it will make them poor. But we are sure that, if his

object is to make them rich, he takes the wrong course."

NO FAITH IN PUBLIC WORKS

It is clear from this that Macaulay has no belief in the virtues of public works; particularly when government competes with private business. In this respect, he follows closely the reasoning of the classical economists that no one will invest in a free market without the expectation of profit. When government invests tax money, however, there will be no such expectations. Thus, with private investment there is a direct correlation between the motives of the investor and the utility of the work. The government does not invest to fill an economic need, but only a political one. To Macaulay, this results in ostentatious architecture, great roads in small towns, and canals built in some remote province. "The fame of public works," therefore, "is a much less certain test of their utility than the amount of toll collected at them."

Government spending could also be certain to attract a multitude of vultures to prey on the public treasury: "In a corrupt age, there will be direct embezzlement. In the purest age, there will be abundance of robbing. . . . In a bad age, the fate of the public is to be robbed outright. In a good age, it is merely to have the dearest and the worst of everything." The aim should be to confine government building to legitimate government needs. "Buildings for state purposes the state must erect," Macaulay said. "And there we think that, in general, the state ought to stop. We firmly believe that five hundred thousand pounds subscribed by individuals for railroads or canals would produce more advantage to the public than five millions voted by Parliament for the same purpose."

THE KING KNOWS BEST

Macaulay finally boiled Southey's system down to one fundamental principle: "That no man can do anything so well for himself as his rulers, be they who they may, can do it for him, and that a government approaches nearer and nearer to perfection, in proportion as it interferes more and more with the habits and notions of individuals." To Macaulay, such a view was incredibly naive and showed no understanding at all of history, economics, or human nature: "The division of labour would be no blessing, if those by whom a thing is done were to pay no attention to the opinion of those for whom it is done. The shoemaker, in the *Relapse*, tells Lord Foppington that his lordship is mistaken in supposing that his shoe pinches. 'It does not pinch; it cannot pinch; I know my business; and I never made a better shoe.' This is the way in which Mr. Southey would have a government treat a people who usurp the privilege of thinking."

The result of letting the government run everything could only lead to oppression. As Macaulay saw it: "Government, as government, can bring nothing but the influence of hopes and fears to support its doctrines. It carries on controversy, not with reasons, but with threats and bribes. If it employs reason, it does so, not in virtue of any powers which belong to it as a government. Thus, instead of a contest between argument and argument, we have a contest between argument and force. Instead of a contest in which truth, from the natural constitution of the human mind, has a decided advantage over falsehood, we have a contest in which truth can be victorious only by accident."

The answer was *laissez-faire*. "It is not by the intermeddling of Mr. Southey's idol, the omniscient and omnipotent State," Macaulay concludes, "but by the prudence and energy of the people, that England has hitherto been carried forward in civilisation; and it is to the same prudence and the same energy that we now look with comfort and good hope. Our rulers will best promote the improvement of the nation by strictly confining themselves to their own legitimate duties, by

leaving capital to find its most lucrative course, commodities their fair price, industry and intelligence their natural reward, idleness and folly their natural punishment, by maintaining peace, by defending property, by diminishing the price of law, and observing strict economy in every department of the state. Let the Government do this: the People will assuredly do the rest."

NEW YORK—THE STATE OF THE CITY

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. ROSENTHAL. Mr. Speaker, New York City faces a fiscal crisis perhaps unprecedented in its history. In the next 2 months, this great metropolis must find a way of closing a \$641 million gap in its 1975-76 budget and raising \$1.5 billion in short-term funds to meet a cash flow crunch.

The dilemmas faced by New York are symptomatic of those being encountered by cities in every corner and region of the United States. High unemployment and business reversals have meant shrinking tax revenues. At the same time, the costs of providing basic services have soared.

Obviously, immediate problems require immediate solutions. In the midst of a storm, the first priority is keeping the ship afloat. Accordingly, I urge the Federal Reserve bank to make available to the hardest pressed cities, including New York, whatever funds are necessary to weather this disaster. I will also introduce shortly a countercyclical assistance act which will provide \$4 billion in Federal moneys for distribution to areas coping with problems of massive unemployment.

But it also is appropriate and essential that our country contemplate the long-range futures of its cities. We must examine the fundamental problems of urban areas—housing, crime, welfare, physical decay, labor unrest, et cetera—and develop strategies for long-term reconstruction and regeneration. For all of their problems, this Nation's cities have a rich and exciting potential.

As an inspiring example of the thinking so necessary for revitalization of our urban areas, I commend to the attention of my colleagues a series of editorials on the problems of New York City presently appearing in the *New York Times*. The series, "The State of the City," seeks to define the city's problems and "point to options for a less haphazard course toward the future." The theme of the editorials was stated at the outset: Although "there is compelling cause for concern over the city's present extraordinary dilemma," editors of the *Times* "are convinced both of the city's inherent strengths and of its crucial place in the Nation's affairs."

The first three installments follow:

THE STATE OF THE CITY

"It is a miracle that New York works at all. The whole thing is implausible. . . . The subterranean system of telephone cables,

power lines, steam pipes, gas mains, and sewer pipes is reason enough to abandon the island. . . . By rights New York should have destroyed itself long ago, from panic or fire or rioting or failure of some vital supply line. . . ."

E. B. White, "Here Is New York," 1955.

Millions have viewed this implausible metropolis—the Empire City or the 51st State—with similar awe, admiration and concern. Its services are often erratic. Its littered streets are cratered with potholes; its traffic a chronic tangle; its access routes twice daily clogged to desperation. A handful of disgruntled bridge tenders can cut the city's lifeline; a fire at a vulnerable point can silence hundreds of thousands of telephones. Not long ago a study found an alarming proportion of its inhabitants to be on the brink of mental exhaustion and disorientation.

It is perhaps because New York has always been at once implausible and indomitable that its problems are often regarded as either too monumental or not serious enough to be met head-on with rational proposals for change. But at a time when urban America is in deep trouble—its vitality undermined by recession, unemployment and inflation—the future of the nation's first city can no longer be left to the chance of muddling through.

We believe that there is compelling cause for concern over the city's present extraordinary dilemma, but we also are convinced both of the city's inherent strengths and of its crucial place in the nation's affairs. In the days ahead, we will in these columns analyze the State of the City, try to define its problems and point to options for a less haphazard course toward the future.

THE CAPITAL OF AMERICA

Such an appraisal must begin with the recognition that New York is not an ordinary metropolis. America's only truly cosmopolitan city is the capital of culture and the arts. It is the center of communications and commerce. Its very streets have become symbolic—Broadway (and off-Broadway, too) for the world of theater; Wall Street as the focal point of banking and finance; Seventh Avenue for the creation and manufacture of American fashions; Madison Avenue as the synonym for commercial and subliminal tastemaking; Park Avenue and Fifth Avenue for elegance.

New York is the city of Carnegie Hall, the Metropolitan Opera and Lincoln Center, the great museums and the little galleries, Olmsted's grand design of Central Park. It is a city of architectural triumph (as well as disaster). It is host to the United Nations. Even though it lacks the automatic authority other capitals derive from being seats of national government, New York is nevertheless America's London or Paris. In its many guises, New York retains still the indefinable qualities that led Walt Whitman to call it "the most effective medicine my soul has yet partaken."

Twenty years ago, John Steinbeck, after observing that this city's politics "are used to frighten children," had to concede that "all of everything is concentrated here, population, theater, art, writing, publishing, importing, business, murder, mugging, luxury, poverty." And so it is today.

It would be misleading to suggest that bigness alone distinguishes New York from America's other cities. The sheer mass of everything changes not only the dimension but the fundamental nature of its problems. For example, of all Americans who daily use public transportation to ride to work, 40 per cent are carried by the buses and subways within New York's five boroughs. New York's safety requires a police and firefighting force roughly equal to two army divisions. The university systems of only seven states enroll more students than the giant City University

of New York. More than one million children attend its 900 schools.

Yet as much as it is a metropolis, New York is a conglomerate of provincial neighborhoods, each fiercely protective of its own rights and character. These enclaves contribute signally to making the city livable; but they are also staging areas of friction and conflict. In periods of unrest, as populations shift and the newly arrived trespass on their predecessors' established turf, latent hostilities may easily erupt into ethnic, religious or racial strife.

Such periodic unrest is irrevocably part of the life of a city that has always been the nation's gateway for immigrants from abroad and the magnet to migrants from domestic regions of poverty. Wave after human wave has swept into New York—the refugees from persecution and famine and the despondent victims of a shrinking agrarian frontier and of racial injustice in the South.

CITY OF HOPE

Time and again, the city has reeled under such pounding as it struggled to absorb the new populations. Time and again, the old order and set patterns seemed threatened. Such is the case today as the city's ethnic composition undergoes dramatic change—as the children of non-white minorities in fact have become the majority of the schools' enrollment, as middle-class families move out of the city into the surrounding suburbs.

The city's problems are rendered all the more complex by being locked into a highly confined geographic area. Extreme poverty and great wealth coexist in close proximity. New York is the home of some of the nation's most prestigious private schools; yet 600,000 children are on welfare and 30,000 are under municipal foster care. Luxury and deprivation are often separated only by the width of a city street. New York is the site of the most sophisticated medical research universities; yet its municipal hospitals struggle daily to deliver emergencies in the teeming ghettos.

Responding to political corruption in its wards, New York was a pioneer in the establishment of metropolitan government, administered by a professional civil service under the strict rules of an exemplary merit system. But over the years, the system has ossified. To a large extent, the criterion of merit has evaporated, to be replaced by mere seniority and other union-mandated rigidities. Intended to stifle corruption, the system now often stifles its own capacity to innovate and periodically spawns its own corruption.

Responding to its humane instincts, New York earned an early reputation as a liberal city that takes care of its own, thus constantly attracting more of those in need of care and compassion. It is an admirable but costly tradition, reflected in a staggering current expense budget of \$11.6 billion and in a total debt burden of nearly \$14 billion. At \$6.5 billion for salaries, benefits and pensions, the bill for labor devours roughly half of the cost of municipal government. With 400,000 person on the city payroll, municipal services have begun to dwarf the private sector's total work force.

THE NATIONAL BELLWETHER

The popular view that "New York is not America" is, like many clichés, largely wrong. In many ways, New York is America. What happens in this city is often a preview of the forces that subsequently shape life in cities across the United States. From rising crime rates to declining reading scores, from inflated ranks of public employees to shrinking private employment, New York is the bellwether of urban problems.

The fashions and fads, the decline of confidence in municipal government, the contrast between tax-rich suburbs and the shrinking tax base of the inner cities, the incidence of civic corruption—all invariably become nationwide phenomena soon after

the spotlight focuses on them in New York. Within weeks after the first disclosure of the city's nursing home scandals, it became abundantly clear that New York had only pointed an accusing finger at a nationwide disgrace.

Because this city is central to the nation's future, its present depression of treasury and spirit must be diagnosed and corrected. There is room for neither paranoia nor smugness. It would be suicidal to persist in the familiar insularity of mind that routinely rejects solutions simply because they are at odds with established custom or vested interests.

The margin for error and waste has narrowed. High cost and low productivity are eating away at the city's resources and economic strength. As the public debt mounts, the capacity of the tax dollar to deal with current problems shrinks. Paying ever more heavily for unmet bills of the past reduces the options of responding to present needs and of planning for the future.

New York's once proud reputation as a union town is tarnished by labor's sometimes self-destructive inflexibility. The union label, too selfishly construed, becomes a deterrent to commercial development and a cause for friction between the organized work force and some of the ethnic minorities who view the unions as allies of the conservative establishment.

Once a force for progress, the city's metropolitan government is weighed down by a top-heavy bureaucracy. Codes and restrictions, originally designed to improve the quality and integrity of urban management, now stunt growth and invite chicanery and pay-offs. New ideas are either shot down outright or, failing that, soaked up by the sponge-like status quo.

The city stands in danger of losing the proper balance between a capacity to renew its stock of private and public housing, its means of transportation and access, its commercial and industrial development on the one side, and the protection of its environment within the framework of orderly growth on the other. It has ravaged what is potentially one of the world's best waterfronts. It has let its parkland deteriorate, abandoning some of it outright to vandalism and crime.

CITY OF THE FUTURE

These errors are not irreversible. But to reverse them calls for a new readiness to raise fundamental questions and subsequently to respond with an open mind, even when the answers are uncomfortable and solutions unorthodox.

One of the basic issues is the way the city's creaking political and governmental machinery and its relationship with an equally unsatisfactory state government can be attuned to modern realities. How, it must be asked, can public and private forces and interests be made to mesh in order to respond to metropolitan as well as local needs? How can New York be taught to plan for its future without creating such billion-dollar misunderstandings as excavations and tunnels to nowhere? How, above all else, will the city prove that the urban civilization from which there is no turning back can be made humane and economically viable?

The city's foremost dilemma may well be its own isolation from the surrounding tri-state suburbia. Although the vast and still growing commuter radius derives from the city much of its economic and cultural strength, New York gets little in return, either in money or in civic support. Many of the options in tackling the city's problems are inseparably linked to the search for ways and means of breaking this metropolitan isolation. Solutions depend increasingly on new strategies toward dismantling the government, fiscal and psychological wall between the constricted urban center and the wide suburban rim. If self-interest threatens to block such

a turn to regionalism, the ultimate impact of an enfeebled city on its surroundings will be to accelerate the decline of the entire area.

In ensuing days, we will offer on this page a more detailed examination of some of the major problems affecting the city, in an effort to find constructive ways of working out a more promising future for this madening—and inspiring—metropolis.

STATE OF THE CITY: FISCAL SHOCK

New Yorkers, have been subjected during the past half year to a series of fiscal shocks that must convince even the most cynical citizen that this time the crisis is real. Within weeks, the city faces the grim possibility that it will not be able to raise the cash needed to meet its immediate obligations. In answer to recent appeals to Washington, Secretary of the Treasury Simon said flatly that "the solution to the city's financial problems does not lie at the Federal level."

The first storm signals appeared early last fall when Mayor Beame reported that his 1974-75 budget already was running \$420 million in the red. Despite a progression of economy measures, the deficit has not been eliminated. It remains at \$120 million or more—probably substantially more—as the fiscal year rapidly draws to a close.

Concurrently, the city began experiencing difficulty in marketing a rapidly growing volume of short-term notes. In December, city officials were forced to accept what they called an "outrageous" 9.479 per cent interest rate for a \$500-million loan. By April, with city bonds selling at two-thirds of face value and with the city's "A" credit rating suspended by Standard & Poor's, New York faced the humiliating prospect of not being able to market a note issue for \$450 million already scaled down from an initial \$550 million. Only a last minute advance of \$400 million from the state enabled City Hall to meet its debt and payroll obligations for the month.

The worst is yet to come. Between now and the end of June, it is estimated that the city will have to borrow at least \$1.5 billion in a saturated market that is apprehensive about the city's fiscal position. There is growing fear that in the next six weeks, possibly as early as next week, the city will face a cash crunch comparable to that of the 1930's when bankers and the state forced the most stringent economies on the city to avert municipal bankruptcy.

The immediate cause for eroding confidence in the Beame administration is its persistent failure to wipe out the deficit in the current budget. This failure has been heightened by a disturbing lag in executing even those economy measures that have already been proclaimed, plus the prospect of a much larger deficit in the new fiscal year beginning July 1. After months of pruning and manipulating, the Mayor is still projecting a \$641.5-million deficit in his \$12.8-billion 1975-76 budget—and that is after allowing for a 10 per cent increase in realty taxes and a reduction in the city's payroll which the Mayor claims will amount to 10 per cent by the end of the fiscal year.

Is it any wonder that the Citizens Budget Commission says the city is facing "the worst fiscal crisis in its history"? How did the city get into this mess?

ROOTS OF THE CRISIS

Part of the problem can be fairly ascribed to the current national recession-cum-inflation which has raised the costs of government while curbing revenues.

However, the roots of the urban crisis go far deeper than any transient national economic maladjustment. New York, like other urban centers, has been affected by long-term trends that have eroded the tax base while increasing pressure for public spending. These corrosive and costly trends include:

The flight to the suburbs of more affluent citizens, and of industries, and a concurrent influx of unskilled poor whose needs send social-service costs soaring.

The progressive obsolescence and decay of the center city—of housing, highways, transit and water and sewer facilities.

The unionization of public employes, with consequent sharp increases in wages and fringe benefits.

Increasing congestion and pollution and a growing recognition of their harmful impact.

These problems are compounded for New York because of its size and density and because it has been a pioneer in developing public services, particularly in the area of human welfare. This city has spent more per capita on public services than most other cities and has been almost unique in providing some services, such as its city university and hospital systems.

The result has been a relentless rise in city expenditures—at a rate of 10 to 15 per cent annually for the past ten years—in the face of a much slower increase in the city's tax base. Three out of every four jobs added here during the 1960's were in the public sector. For over fifteen years, a profligate city has spent more than it has been taking in, papering over the difference with massive borrowing and fiscal legerdemain.

This is a game that cannot be played any longer. In the last ten years, the expense budget has more than tripled. Funded debt has doubled. Short-term obligations outstanding have soared from \$747 million only five years ago to an estimated \$6 billion next June 30. Total debt now exceeds \$13 billion. Debt service is expected to surpass \$2 billion next year.

WHAT TO DO ABOUT IT?

The immediate task is to bring the new budget into balance and to begin whittling down the debt. Despite the string of economies Mayor Beame has already announced and the anguish his proposals have produced in the municipal unions, the size of the deficits in current and future budgets and the credit squeeze underscore the need for more drastic steps.

State and Federal aid combined account for about 45 per cent of the municipal budget. New York still has a valid case for more help in specific areas, and Mr. Beame will undoubtedly press this point, when he meets with President Ford tomorrow. Welfare is properly a Federal responsibility; courts, corrections and hospitals logically should be taken over by the state. Meanwhile New York City has a gigantic problem.

Some additional increase in local taxes—beyond the Mayor's proposed 10 per cent rise in the realty levy—undoubtedly will be needed. But New York City and state taxes are already the highest in the nation. There are severe limits to the amount that can be added to the current tax burden without further undermining the city's economic base. Commuters still pay far less than their fair share of the costs of maintaining the city, and the commuter tax should be raised; but the revenue yield would not begin to solve the budget problem.

The only realistic course is to cut spending to levels that the city can afford—and that means reducing personnel and services far more drastically than the Mayor has so far suggested, and clamping a lid on civil service wages and fringe benefits. The essential first step would be to put a freeze on all new hiring and to suspend negotiated pay increases—amounting to some \$600 million in the new fiscal year—as the Citizens Budget Commission has recommended. The only—but less desirable—alternative is wholesale firings.

For the long haul, the budget crisis and the inevitability of a reduced work force—either by attrition or dismissals—make it essential that the city reform its budget-making procedures and improve personnel and

management practices. This city has been ill-served by a political structure that has let mayors manipulate the budgetary process, almost without challenge, and by the gross inefficiencies of the bureaucracy. Citizens will have a chance to vote for long overdue reforms when the State Charter Revision Commission submits its recommendations in a referendum next fall.

With sound management and effective political oversight, this still dynamic and wealthy city can afford to provide adequate, even superior municipal services. It cannot afford to be profligate any longer.

STATE OF THE CITY: INDUSTRY AND LABOR

New York City's diversified economy, long viewed as the strongest possessed by any metropolis in the world, is sick for reasons that will not disappear when the rest of the country climbs out of the recession. Cures for the city's deep-rooted economic ills depend on public and private decisions that can flow only from restoration in the forthcoming municipal budget of a sound fiscal foundation for revival of industry and employment.

The city has lost 420,000 jobs, all of them in the private sector, in a little over five years. But that dismal figure merely begins to tell the long-term story of industrial stagnation in this capital of finance, communications, fashion and international trade.

New York's current employment total of 3.37 million is slightly below the total a full quarter century ago. During that same period the number of jobs elsewhere in the United States has expanded by 80 per cent. In short, this city has been a leftout in the phenomenal job growth the nation has experienced since World War II.

There is no occasion for despair in this record, provided adequate recognition is given to the enormous assets New York still has. Despite the downtrend of recent years, it provides more jobs than Boston, Detroit, Baltimore and Philadelphia combined. In an interdependent world economy, increasingly dominated by multinational banks and conglomerates, no city here or abroad compares with New York in potentiality for headquarters expansion.

An almost limitless range of expertise is available here in every knowledge skill from law to computer technology. Taxes, electricity costs and many other business expenses remain forbiddingly high, but heavy overbuilding of ultramodern office space in recent years has made commercial rents a bargain.

New York's success in reversing the out-movement of large companies—some to the suburbs and some to distant cities—is likely to depend primarily on its success in improving the quality of urban life. There would not be enough floors in now empty skyscrapers to house all the establishments eager to move in if fear were banished from city streets, the schools were better and decent housing could be found at supportable rents.

The sad reality is that progress in all three directions will be harder to achieve because of the paramount immediate necessity for putting the city's fiscal house straight. That means not only slowing the ruinous rise in local taxation but also ending the city's current role as an inflator of private labor costs by pushing civil service pay and benefit scales far above those in industry.

ROOM FOR GROWTH

Once the city has made a decisive turn toward responsible budget control and high productivity in its own work force, there is warrant for considerable optimism about renewed growth in the white-collar and professional sectors of the metropolitan economy.

To give the Wall Street area vitality as a round-the-clock community, the major financial institutions and law firms in lower

Manhattan are willing to accept a special real-estate tax—on top of the 10 per cent boost in the citywide realty level due July 1—to underwrite such amenities as pedestrian malls and park areas, along with intensified planning for mass transit and housing. That proposal is an encouraging counter to the renewed threat of the stock exchanges to move to New Jersey in protest against higher securities taxes, even though the special realty levy does raise some serious policy and legal questions of its own.

The real employment problem for this city lies in the blue-collar field, especially in the fast-disappearing realm of factory jobs. The present total of 570,000 manufacturing jobs is only a little over half the number two decades ago. Where factories once provided nearly a third of all New York's employment opportunities, they now account for only a sixth. The sharpest loss has been in the needle trades, with 200,000 jobs gone in that area alone.

By the harsh yardsticks of economic determinism, it might be argued that the wisest course would be to let the erosion in manufacturing proceed unchecked and concentrate the city's resources on fostering expansion in commercial activities, research, health services, communications, finance and New York's other provinces of special strength.

In human terms that is an unacceptable option, except as a matter of planning for the closing years of the century and beyond. It is true that center cities—and this one most of all—are not appropriate places for factory industry. It is also true that New York has become a center for light manufacturing, with wage scales only marginally above the poverty level.

NEED FOR JOBS

The reality is that this metropolis has experienced a profound population exchange in the postwar period, with two million whites moving out and two million blacks and Puerto Ricans moving in. The result at this stage of the newcomers' absorption is a huge pile-up of unskilled and undereducated workers in need of jobs.

Until open enrollment and other educational programs better equip this segment of the population, tax incentives and even subsidies are required to expand factory and service employment. Alfred Eisenpreis, the city's Economic Development Administrator, has been encouraging industrial parks and seeking law changes to spur plant investment. Beyond this, however, there is need for amending the State Constitution to permit even more direct, public involvement in job generation.

Obviously, not every kind of industry can flourish here, no matter how much developmental aid it receives in the form of public subsidies or tax relief. But economies of scale do offer advantages in the giant metropolitan market, and there are incipient signs of some easing in union-enforced featherbedding and other restraints on efficiency.

Notable in that respect was the turnaround of the International Longshoremen's Association several years ago toward full cooperation in cargo containerization, a development that began the renaissance of the port. Since then breakthroughs in other industries have greatly increased their competitive viability and the security of union members' jobs.

The crucial test of attitudinal change will come in the next few weeks when the unions representing municipal employees reach the moment of decision on sacrifices required to keep the city itself both solvent and livable. They cannot be expected to respond affirmatively, however, unless the city has first eliminated every political hanger-on from high-paid exempt jobs and has revised its own managerial practices to insure that every dollar of municipal payroll produces a dollar's worth of efficient public service. It has not done so yet.

THE LOBBYING ON LAND USE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. FLORIO. Mr. Speaker, land use policy and planning has been a major issue for quite some time in this and previous Congresses. Every imaginable comment has been directed to land use policy ranging from one end of the spectrum to the other. I have heard various proposals described as disastrous and dictatorial; necessary and desirable; and every other adjective in between. As the committee begins its deliberations on Mr. UDALL's bill, H.R. 3510, I would like to bring to the attention of my colleagues the following editorial article from the Washington Post of May 8, 1975:

THE LOBBYING ON LAND USE

The pressures are building up as the House Interior Committee approaches consideration of H.R. 3510, the land use planing bill reported by a subcommittee chaired by Rep. Morris K. Udall (R-Ariz.). Committee members are being importuned in various ways by representatives of state and local governments, environmental groups, farmers, realtors, energy companies, construction firms and countless other interests. The lobbying is doubly intense because key votes in the committee are expected to be close, and leading opponents such as Rep. Sam Steiger (R-Ariz.) and the U.S. Chamber of Commerce are fighting hard to keep the legislation from reaching the House floor.

The controversy is understandable since land use policies affect everyone. What is regrettable is that some of the busiest lobbyists are distorting the issues involved and fostering confusion and alarm. The Chamber of Commerce has told its members, for instance, that H.R. 3510 "amounts to a national zoning ordinance" which would snatch power away from local government and destroy private property rights. The bill does nothing of the kind. Some earlier proposals did contain more-or-less coercive elements, but such features are not included in H.R. 3510. The bill would simply provide aid to states that choose to develop comprehensive programs for making land-use decisions involving key public facilities, large-scale developments, projects with regional impact and areas of critical state concern.

Moreover, H.R. 3510 would not dictate any particular planning approach: Each state would be free to determine how much responsibility should rest with local government and what functions regional or state agencies should perform.

Actually, two kinds of distortions are involved in the charge that H.R. 3510 would inject the federal government into local domains. In addition to misrepresenting the bill, that argument also ignores the fact that federal policies already have a major impact on land use. The federal-aid highway and sewer construction programs are obvious examples. Federal environmental laws, especially the clean air and clean water acts, have given the Environmental Protection Agency vast potential power to influence land use by setting pollution limits, restricting growth and vetoing proposed facilities. Widespread concern about case-by-case intervention by EPA has already led a number of states and localities to improve their own planning processes to minimize the need for federal dictation on environmental grounds. Thus it is not too much to say, as the National Association of Realtors and other groups have pointed out, that legislation

such as H.R. 3510 would actually restore power to state and local governments by helping them to solve major land-use problems themselves.

Apart from these misrepresentations, what seems to trouble some groups most about land-use legislation is the possibility that new kinds of planning processes might unduly limit growth. This worry should not be dismissed as merely some selfish concern of land developers or logging companies or others. For the general concept of America as a land of perpetual expansion still has enormous force and popular appeal. The fact is, however, that the nation's land is not infinite and after generations of rapid, haphazard growth, the limits of the continent have become apparent. There is no room to satisfy all the competing claims on fertile farmland, fragile natural areas, water resources or placid communities. That is why communities and states should improve their abilities to evaluate their resources and to make hard choices in an orderly way. Helping them to do so is the purpose of H.R. 3510—and it is too important a purpose to be obscured by distortions and false alarms.

IN OPPOSITION FOR FURTHER AID TO SOUTHEAST ASIA

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HANNAFORD. Mr. Speaker, the opposition of many of us in the Congress to recent administration requests for further aid to Southeast Asia should not be construed as a lessening of our commitments to our allies elsewhere in the world. The fruitless American support for the autocratic governments of Vietnam and Cambodia and their subsequent collapse only serve to highlight the critical need to strengthen U.S. ties with our reliable democratic allies.

One such ally in which U.S. strategic interests and shared democratic values converge is Israel. The only democracy in the Middle East, Israel has been a constant friend and supporter of our country. Israel has never asked Americans to fight its wars, requesting only the means which which to defend itself.

America's interests are best served by a strong Israel, for an Israel secure in its ability to defend itself provides stability to the Middle East. The Arab countries can be expected to choose the option of peaceful negotiations only if they perceive their adversary as too strong to be overwhelmed militarily.

The administration is currently undergoing a reassessment of U.S. policy in the Middle East. It is vital to American national interests, as well as to the security of Israel, that this reassessment not result in any lessening of our support for, or commitment to, the security of the Jewish state.

It is particularly unfortunate that in undertaking the reassessment the administration has implied that Israel was the intransigent party in the recent aborted second-stage negotiations with Egypt. In actuality, Israel was very forthcoming in its proposals for an agreement. Israel was prepared to risk relinquishing both the strategic Sinai passes vital

to its defenses against Egyptian attack and the Abu Rodesis oil fields supplying half the country's energy needs. In return, it requested concrete evidence of Egypt's willingness to work toward normal relations: A pledge of nonbelligerence, open communications and trade, an end to economic and political boycott. These Egypt refused to give, insisting upon a purely military agreement which Israel correctly believed could invite more Arab aggression. Israel could not and cannot be expected to make such major concessions reducing her defensive capability until Egypt is willing to abandon the option of war and take concrete measures toward a peaceful settlement.

I call upon the administration to reaffirm its support for Israel and to reflect in its foreign aid request for fiscal year 1976 the level of economic and military assistance for Israel necessary both for her continued security and the maintenance of the balance of power in the Middle East.

A PHOTOGRAPHER'S LOOK AT CARDINAL MINDSZENTY

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. JACOBS. Mr. Speaker, in loving tribute to the late Cardinal Mindszenty I insert the following remarks by John M. Szostak:

A PHOTOGRAPHER'S LOOK AT CARDINAL MINDSZENTY

(By John M. Szostak)

The news of the death of Josef Cardinal Mindszenty, strong willed former Primate of Hungary who became the symbol of freedom, has come as a shock to all, especially to those who have known the Cardinal and worked with him in his years of exile. Almost a year ago to the day Washington was fortunate to have Cardinal Mindszenty as an honored guest of the city, the Congress and the Archdiocese.

For me his passing was a personal loss because during this two day visit, I was privileged to be his personal photographer who covered his Washington visit from beginning to end. The feeling and observation that I gathered during those two days was as though I was covering a Saint. Right I was because Cardinal Mindszenty is a Saint of our times.

During those close photographic moments especially in private one could capture through the lens of the camera the suffering he has gone through, his love for God, his love for Holy Mother the Church, his love for mankind and his special affection for children. At one private moment as he was praying having his eyes fixed on the crucifix one could see tears come down his cheek. I was moved to do the same. In leaving to give him privacy, the Cardinal said, "Please stay my son" this I will never forget, his humility and kindness. I had the same feeling as the author of the book titled "Journal of a Soul" the private moments with Pope John XXIII.

Finally to personify his greatness one can best put it in these words:

The Church and the world will mourn for they have lost a great example of our faith and patron of freedom.

The Church and the world will remember

him as the man of the hour who has stood for the Church in its darkest hours.

The Church and the world will write tribute and finally remember him as a Saint of our time.

WILL THE UNITED STATES WEAKEN ISRAEL?

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. BINGHAM. Mr. Speaker, yesterday's Washington Post contained a chilling account of the current status of Israel's pending request for U.S. military assistance. The article details the appalling conclusion that the United States now "wants to weaken Israel's defense posture to make it more amenable to U.S. diplomatic pressure."

As I pointed out last week, the Ford administration's refusal to act on Israel's requests for assistance while approving the sale of Hawk missiles to Jordan lends credence to this view. It is incredible that the U.S. Government would consider tilting the military balance in the Middle East against Israel in order to influence her approach to a peace settlement, yet this seems to be precisely what the Ford administration's policy has become. It is a policy which I will not support and which I am sure the Congress will reject.

I commend the Post article to the attention of my colleagues, and include it at this point in my remarks:

[From the Washington Post, May 12, 1975]

ISRAEL FEARS ARMS DELAY COULD TILT BALANCE

(By John M. Goshko)

JERUSALEM, May 11.—Israeli government and military circles are increasingly concerned that the Ford administration's continuing refusal to act on Israel's pending arms requests could tilt the Middle East military balance heavily in favor of the Arabs.

Officials here are divided about the real meaning of Washington's suspension of arms talks with Israel pending the completion of a reassessment of the U.S. Middle East policy. But especially within the Israeli Defense Ministry, some appear convinced that the United States wants to weaken Israel's defense posture to make it more amenable to U.S. diplomatic pressure.

Until now, this theory has been a minority view. It has been gaining momentum however, since it became known during King Hussein's visit to Washington last week that the United States had agreed to supply Jordan with Hawk anti-aircraft missiles. In the Israeli view, that amounts to U.S. collaboration in creating a double-edged new threat to Israel's security.

The Israelis feel that the Hawk missiles will give Hussein the hitherto-missing arms element he needs to rejoin Egypt and Syria as a full-fledged member of the Arab "confrontation states" on Israel's borders. As if to confirm this, Hussein said Jordan would take active part in any new Arab-Israeli war.

More ominously, Israel sees the deal with Jordan as a breach of an understanding that Washington would not make any agreements about arms supplies to any Middle Eastern state during the reassessment. Israeli officials say they are not satisfied with U.S. explanations that the missiles had previously been

promised to Jordan. The affair has touched off fresh uneasiness here about what Washington will decide on the Israeli requests.

Israel is seeking \$2.5 billion in U.S. assistance for the coming fiscal year, including a \$1.8 billion request for military aid—largely to cover several squadrons of F-15 fighter aircraft and sophisticated Lance surface-to-surface missiles.

Discussions on the delivery of these items were broken off by the Ford administration in March, following the collapse of Secretary of State Henry A. Kissinger's effort to mediate between Israel and Egypt. Making no secret of its belief that Israel was primarily responsible for the talks' failure, the administration began a reassessment and made it clear that it would take no action on the arms requests until this had been completed.

In the meantime, U.S. officials have leaked hints that they regard the requests as exceeding what Israel requires to maintain the present arms balance. They have suggested that the request might be cut by half.

Before the squabble with Washington, the Israelis had been warned by friends in the United States that Congress would be unable to fill their full request. As a result, the Israelis are known to have privately scaled down their expectations of what they can realistically hope to get from the United States to between \$1 million and \$1.5 billion.

Some high-ranking sources here, particularly civilians, say privately that Israel could live with this cutback although it would require considerable belt-tightening. Military circles regard the idea of sizeable cuts in the arms request with deep foreboding.

Sources subscribing to this pessimistic viewpoint say they consider Washington's assessment of the Arab-Israeli arms balance as incorrect. This assessment is that Israel can defend itself if the amounts of major weapons possessed jointly by Egypt, Syria and Jordan are no more than three times those of Israel. The theory is that the superior quality of the Israeli weapons and the acknowledged fighting superiority of the Israeli forces would compensate.

Israelis say this means that in war they would sustain substantially higher casualties than they would if their arsenal were closer in size to the Arabs'. In addition, they add, their own estimates of the Arab buildup indicate that the Arabs now have a superiority in tanks of 3.5 to 1 and in artillery of 4 to 1.

Most important, the Israelis contend that the quality of the weapons the Soviet Union is supplying to the Arabs, principally Syria, has improved and in many areas is superior to equivalent Israeli weaponry. Two items causing Israeli defense planners considerable concern are the Scud surface-to-surface missile and the new Mig-25 fighter.

Israel contends that the Soviets have provided Syria, Iraq and Egypt with substantial quantities of the Scud, which can fire 1,400 pounds of explosives 185 miles. While Israeli experts doubt that the Scud actually gives the Arabs the capability of penetrating the Israeli heartland to destroy its cities and military stockpiles, they say it is a formidable weapon that they currently cannot match.

Israelis contend that the Syrians already have some Mig-23s and that there is a likelihood that Egypt will also get some. In addition, they add, the Soviet Mig-23 fighter, which Egypt, Syria and Iraq already possess in substantial numbers, can fly faster and higher than Israel's most advanced Phantoms.

This is why Israel is so anxious to obtain the Lance missile and the F-15 fighter as deterrents to the Scud and the Mig-23 and Mig-25. If Washington delays deliveries of these items to Israel and then limits the quantities, the sources say, the arms balance would shift precipitously against Israel in the next two to four years.

Adding to this concern is the belief in military circles here that the supply of Hawk missiles to Jordan will give Israel a serious new problem to worry about. After taking a brutal beating in the 1967 Arab-Israeli war, Hussein stayed out of the October 1973 war.

But he has been rebuilding his forces, and now Israelis regard them as a serious threat. Israeli military sources say that the one thing Hussein lacked—and, in the view of many, the factor that kept him out of the 1973 war—was an adequate anti-aircraft system to defend his tanks and ground forces from Israeli air attack.

Now, the Israelis charge, the United States has unexpectedly agreed to fill this gap in Jordanian strength. By mounting Hawk missiles on the heights on the eastern side of the Jordan River and firing them vertically, Israelis contend, Jordan could play havoc with Israeli aircraft operating from fields on the West Bank.

Israeli officials scornfully dismiss U.S. explanations that the Hawks are purely a defensive weapon. They also reject Washington's explanations that the negotiations has been virtually completed before the reassessment began. To the U.S. contention that Jordan could have obtained the missiles from Saudi Arabia in any case, the Israelis reply that when Washington sold the Hawk system to the Saudis, it publicly stated that transfer of the missiles to Egypt, Syria or Jordan was banned by the agreement.

Many sources here say that they still don't know what Washington's intentions were and hope that their protests will draw a fuller explanation. Others are interpreting the episode as proof that the Ford administration is using the weapons issue as a club to pressure Israel into being more receptive to Kissinger's initiatives.

Some officials say privately that their American counterparts have dropped broad hints in recent weeks that Washington now feels that it made a mistake by replenishing Israel's depleted arms stocks so fully after the 1973 war. The suggestion is that by rebuilding Israel's strength, the United States lost a lot of its leverage.

This leads to the suspicion that Washington's aim now is to regain this leverage by allowing some erosion of Israel's military capabilities. No one believes that the United States would let this go so far as to completely undermine Israel's security.

CONCERN EXPRESSED FROM VIETNAMESE PEOPLE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. SIMON. Mr. Speaker, Saturday evening I spoke at the annual banquet of the Chester, Ill., Chamber of Commerce and one of those present was Donald E. Welge, president and general manager of the Gilster—Mary Lee Corp.

Mr. Welge mentioned to me that his brother had been killed in action in South Vietnam.

He expressed concern for the people of South Vietnam with his life, he told me, and then added that he would like to volunteer to help a family from South Vietnam resettle.

"It seems like the least I could do," he said modestly.

I mention this to you, Mr. Speaker, and my colleagues because his fine ex-

ample of humanitarian action is the kind of action which I believe we will see more and more coming from the American people. The initial reaction mail which has been discouraging—which has failed to recognize that we are a Nation of immigrants—I believe will gradually be replaced by the responsible reactions of people like Mr. Welge.

I am proud of this citizen of my district as I believe all the people of this Nation should be proud of him.

AN ALLY LOOKS AT AMERICA

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HÉBERT. Mr. Speaker, Prof. Radomir V. Luza of Tulane University's Department of History has brought to my attention an article by Georg Leber, German Federal Minister of Defense.

I have the privilege and the pleasure of knowing Mr. Leber, and last year while visiting Germany with other members of the House Armed Services Committee, I spent exceedingly interesting moments with him. We exchanged our ideas freely and frankly, and I think both the Germans and Americans are better for it.

This article should be of great interest to every American at this time since it brings into sharp focus the thinking of the foreigner who is an ally. It should be read by every Member of the House and every American. It follows:

INDOCHINA—A CRISIS OF CONFIDENCE?

(Following is an article by German Federal Minister of Defense, Georg Leber, written for and published in the "Frankfurter Allgemeine Zeitung" daily on April 5, 1975 unofficial translation.)

Almost every day the world hears news from the Far East and is shocked in the face of the many forms of suffering—from hunger to death itself—that millions of people feel breathing down their necks, that drives millions into flight or desperation. It is understandable that there are many calls for aid under the circumstances, that there is much discussion on how to help. But there are other questions, too, that are looking for answers, and much is confused and mixed up.

Is what is happening there, before our own eyes, and which justly upsets the free world—if, apparently, nobody else—something that was not to be expected, or is it rather the inevitable consequence of other demands and of a world-wide campaign of many years duration?

Somebody who referred to such possible consequences earlier when things had not yet gone so far, when it was not yet this late, was dismissed as a "cold warrior." For years there was hardly a day, hardly a gathering where it was not obligatory to criticize the Americans for their involvement in Vietnam. They were criminals because they tried to keep the flood of communism away from South Vietnam and they were there because they knew that the South Vietnamese alone were not able to do that. Well, where have those people suddenly gone who earlier criticized and chastized the Americans from their high moral plane? We have reached a point where some people—often the same ones who earlier yelled "Ami go home"—are beginning to ask:

Whether one could still have confidence in the Americans;

Whether one could still rely on them;

Whether their word still counted; and

Whether all this is not rather frightening when one thinks about ourselves and about Europe.

There is only one thing to do, soberly and unflinchingly to realize that what is happening in East Asia now is the inevitable outcome that many demanded, even if they did not see and did not want what is now coming, and will further progress to its bitter end, merciless and inescapable. There will be quiet there, but the kind of quiet that makes one shudder if one has the courage to look beyond the inferno of the war.

What is worst, after the disaster that is taking place, is the naivete with which many now are asking for a vote of confidence in the Americans, with which they are implicitly or explicitly challenging them to prevent or to mitigate something that had to happen sooner or later, after the U.S., under the pressure of worldwide sentiments and the pressure of the mood at home, left Vietnam to its own resources. And it is very bad indeed that we hear nobody in the present situation who would confront the communists with the same moral arguments and convictions with which the Americans were confronted when they were still in Vietnam. Apparently it is quite natural and even correct that the Vietcong and the communists of North Vietnam should produce suffering and submission of millions in the south of the country through the force of arms and through war.

The question whether one can trust the communists when they speak of peace as they spoke of peace in the Paris agreements, this question does not even arise. Instead, one prefers to ask whether one can trust the Americans. And so one's conscience is in balance and one can once again respect oneself. The only issue that remains is whether one might do something more by sending surgical dressings and medicines or food for the children in order fully to see oneself as a civilized person.

If these events are not to break more china than they already have, we must at least learn a few lessons for the future. In my view the most important of these are as follows:

(1) Real life conditions are unfortunately not determined by idealists or by people who orient their actions towards the laws of morals and ethics—unless it may be their own particular brand of morals and ethics. For those, the course of world events is to be determined by the mouth of the guns and arms wherever and whenever they are able to accomplish this.

(2) What is called co-existence between communism and a democratic way of life exists for the purpose of the expansive ideology of communism only as long as a plurality of life-styles and concepts—i.e., especially the existence of the other ideology—is insurmountable. If the destruction of the Western way of life is possible below the level of using weapons, this will be attempted without military force throughout the world, in the future, too. If it is possible—and considered opportune—to do so without engendering a risk to oneself, there is and there will be no hesitation to prepare the ground for the spreading of the ideology with fire and the sword. This is what we are seeing today in Vietnam and Cambodia. Soon, presumably, we will see it somewhere else in the world, when Vietnam and Cambodia have come to an end.

(3) This conflict will continue, and the West will survive it only if the nations are aware of the danger and the threat under which they are living, and if they are prepared to do what is necessary in order to remain capable of defending themselves

against it. That means being aware of the value of freedom and our way of life which we must be careful not to undermine or to deny. That means the awareness on the part of the citizens that the way we live and what we have created is worth being preserved and cared for, despite all the faults that our country has and will always have.

It also means being ready to make sacrifices in order to preserve our freedom and our independence. Even America is not able to save a nation from losing its freedom if the people are not ready to make an appropriate contribution.

That includes unceasing efforts to strengthen the community of the free Western nations. At this time, mutual trust will be perhaps even more important than in many phases that are now behind us. If we did not succeed, if mistrust should spread, one could already calculate the length of the timespan which Western Europe would have left, freely and independently to form its destiny in accordance with its own will.

A NEW ERA OF INFLUENCE ON FOREIGN POLICY

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. BEARD of Rhode Island. Mr. Speaker, Congress is entering a new era of influence on foreign policy. Recent events, such as our experience in Indochina and other areas throughout the world, require Congress to exercise more forcefully American policy toward others.

History shows that the President has been the architect of diplomatic attitudes and approaches. Today, our people, their needs and their hopes, demand Congress to innovate, set, and oversee decisions surrounding our relations with our neighbors. Unfortunately, America's word in the past has been that of the executive branch. Times are changing. Circumstances compel times to change. Every day people write to me wanting to know the impact of foreign policy decisions on their life at home. Our people are crying out for attention from their own Government they chose. It is our obligation to respond to their pleas for help.

I had no say in the massive evacuation of 150,000 refugees from Vietnam. The Congress was not asked about the evacuation. It was an Executive decision not approved by Congress. Now when newspaper stories throughout the country say that the refugees are not being received with open arms, the Executive is reported to be "damn mad" about the attitude of the American people toward our fellow human beings from Indochina.

I think the Congress ought to be "damn mad" about the fact that a major decision was made to bring in a massive number of people without consulting the Congress and without ever asking the attitude of the American people toward the concept. America's compassion must now be exercised to its fullest toward these refugees who were victimized by an executive decision which failed to recognize the personal problems, attitudes,

and feelings of those our Government is supposed to represent. The executive branch of Government violated the very basic principle upon which a democracy is founded—of the people, by the people, and for the people. It decided on its own to arouse the expectations of 150,000 human beings. Congress was not asked its opinion, the American people were not asked whether they would graciously accept those in need in light of our own economic and social problems, and those in need in our country were not considered.

Until the Congress has the right to stop such hasty executive decisions, our foreign policy will continue to be a mish-mash of embarrassing situations. These fumbles cannot be explained away to a disappointed world or a shocked President who thought America had some idealism. The President works for the people even though he was not elected by them.

While the President can say he is "damn mad" about refugee reaction in the Nation, the Congress can rightfully say that it is "damn mad" that a separate and coequal branch of the Government was not considered in such a sensitive decision.

I accept the responsibility the President has thrust upon us and pray that the American people will exercise charity toward those who have been misplaced by tragedy of war.

I will vote against any aid for the Government of Vietnam. I will not vote for a blank check next Wednesday as proposed by Congressman RODINO. I want to know how much money will be asked for and where it will be spent. You do not buy in the blind.

SALUTE TO THE ROMANIAN PEOPLE

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. RODINO. Mr. Speaker, on Saturday, May 10, the Romanian people throughout the world held their annual celebration honoring the founding of the nation of Romania. This holiday observance is a special tribute to the strength of the Romanian people whose nation is now under the Communist rule of the Soviet Union.

We, as Americans, should let this occasion serve as a reminder of the constant vigilance we must maintain to protect our own precious independence and freedom. We should also use this important day to gain insight from the Romanian people, who despite years under foreign domination have never lost their individual identity and sense of purpose.

Mr. Speaker, I salute the Romanian people on their national anniversary. May their dedication to their homeland remain undaunted. May their dreams of freedom be fulfilled.

THIRTIETH ANNIVERSARY OF LIBERATION OF NAZI DEATH CAMPS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. GILMAN. Mr. Speaker, today at the White House, along with the senior Senator from New York, I had the privilege to join in a ceremonial observation by President Ford, of the 30th anniversary of the liberation, by Allied troops, of the prisoners in the Nazi concentration camps. A delegation of 10 persons, survivors of the holocaust, presented the President with a "Memorandum for History," a resolution marking the anniversary of the opening of the Nazi death camps and vowing that such atrocities will never again be permitted to happen on Earth.

Mr. Speaker, it is fitting for us, in the legislative body of the world's greatest democracy, to set aside time to remember and memorialize the 6 million victims of the holocaust. It was our soldiers—our young men, and those of our allies—who courageously fought and stamped out the Nazi menace in Europe, opening the gates of the concentration camps so that the world could see for the first time the horrible, inhuman acts that had gone on within them. It is too easy to forget, Mr. Speaker.

It is too easy to say, that was 30 years ago. It is too easy to say, that was the work of the Nazis, they are gone now and it can never happen again. But Mr. Speaker, there were altogether too many people in the world in the 1930's who, even as the horror was unfolding, looked the other way, shrugged, and said it could not happen then, either. But it did happen, and without our continued vigilance in the protection and defense of our principles of human freedom and dignity, it can happen again.

The "Memorandum for History" presented to the President this morning effectively expresses these views. Mr. Speaker, in asking that the text of this "memorandum" be reprinted in full in this portion of the RECORD, I also ask that my colleagues bear in mind and long remember its tragic message.

The memorandum follows:

MEMORANDUM FOR HISTORY

Thirty years ago, civilization was close to extinction because of the sinister forces of Nazism. The entire world stood by silently as millions of innocent men, women and children were brutally murdered only because they were Jews.

We, the survivors of the Holocaust, the living witnesses of those dark days, cannot forget the deaths of our loved ones. Even more importantly, we continue to live with the unanswered question: How was this allowed to happen?

This year, as we mark the thirtieth anniversary of our liberation, we would like to express our gratitude to the United States and the Allied forces for challenging and combating the Nazi darkness before its seeds of destruction could spread throughout the entire world.

Therefore, we would like to salute the courageous American soldiers, and their Al-

lies, those who fought and those who died in the struggle for freedom. It was they who uncovered the unspeakable horrors of the Nazi death camps and crematoria; and it was they who paid with their lives so that we might be able to assemble here today.

In the name of the thousands gathered at Temple Emanu-El in New York, we wish to express our thanks to the people and government of the United States for having given us a new home to live in, dignity and to enjoy the blessings of democracy.

As this great American nation approaches its 200th anniversary, we, the survivors of the Holocaust, sense that history can repeat itself if the people do not remain ever vigilant in the defense of freedom and human dignity, wherever it stands endangered.

We therefore reaffirm our commitment to this nation's founding principles of "Life, liberty, and the pursuit of happiness" and ask all humanity to follow these principles so that the tragedies we have witnessed might never happen again.

IS IT ENERGY GLUTTONY AS USUAL?

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. BROWN of California. Mr. Speaker, now that the Ways and Means Committee has completed action on its part of the national energy policy, and the Interstate and Foreign Commerce Committee is nearing completion of its part of the national energy policy, I think it is appropriate to ask if these bills will do the job of breaking the United States out of its 20-year energy consumption pattern. I have long felt that the most important goal of the Congress is to institute equitable curbs on energy growth. This can be done by a variety of means, some which will work better than others. People and industries will be inconvenienced; we have no choice on that. But the Congress can see that the inconvenience is planned, and the inequities are minimized. It is by these standards that I intend to evaluate the bills that the two committees will bring to the floor.

Mr. Speaker, the Los Angeles Times carried a very thoughtful background story on this issue in its May 11 edition. Because we all have to consider energy legislation in the very near future, I would like to insert this article for the RECORD and urge that my colleagues read it for their own information.

The article follows:

IT'S STILL "GLUTTONY AS USUAL" ON AMERICA'S ENERGY FRONT

(By Richard T. Cooper and Paul E. Steiger)

WASHINGTON.—In its continuing struggle to devise a national energy policy, the United States has begun to resemble a fat man who plucks up his will power and resolves that henceforth he will order his hot fudge sundaes without whipped cream.

It is true, as our anxious hero tells himself, that one more dessert won't kill him nor probably a dozen more. And a crash diet or a plunge into cutthroat tennis might well strain a long-neglected heart.

In the same way, abrupt reductions in U.S. oil consumption might stagger an al-

ready faltering economy, with cruel human costs. And a bit more imported oil, even at present prices, will not bankrupt the world's richest nation.

Yet gluttony-as-usual must eventually bring a day of reckoning. For the nation, it could come as an embargo that would cripple an economy grown ever more dependent on imported petroleum, as a subtle loss of independence in world affairs, or simply as a slow bleeding away of U.S. prosperity for the sake of higher and higher fuel bills.

What is wanted, then, is a moderate beginning, coupled with an irreversible commitment to a progressively tougher regimen.

Unfortunately, the opportunity to put such a program in place now, before 1976 election fever closes the door on any such complex and controversial policy-making, appears to be slipping away.

Both in the Ford Administration and in the Democratic-controlled Congress, there are leaders who have worked bravely and patiently for a program that would gradually curb the nation's unbridled appetite for energy in general and ruinously expensive foreign oil in particular.

These advocates of strong action may still prevail, especially if President Ford's attempt to decontrol domestic oil prices unilaterally should somehow survive the vociferous opposition of congressional Democrats.

Increasingly, however, fear of voter reaction to painful measures, joint lobbying by business and labor, concern for the economy, and disputes over methods, have dampened the enthusiasm of many Democrats and Republicans for tough measures, no matter how gradually applied.

Outwardly still committed to biting a bullet, the Administration has begun to give the impression that it will settle for something more digestible.

As a result, the most that now seems likely to emerge is a program that requires almost no energy conservation now and aims at what appears to be relatively modest gains by 1980 or 1985. The Ways and Means Committee is expected to approve such a package on Monday, but only by a narrow margin, and efforts to weaken the bill further on the House floor are certain. The pattern of compromises seems well established.

Sharply improved auto efficiency, for example, is universally regarded as a fruitful, even indispensable element in any strong energy conservation policy. Yet the mandatory mileage standards tentatively agreed upon last week by the House Ways and Means Committee and the House Commerce subcommittee on energy are only fractionally tougher than the levels Detroit had already agreed to aim for voluntarily.

Efforts to write tougher standards were repeatedly defeated in both committees. Knowledgeable observers are not sure Congress as a whole will approve even the committees' modest proposal.

The Administration, which has opposed mandatory auto efficiency standards, cites its willingness to accept the committees' formula as evidence of a cooperative spirit, but the standards would save only 340,000 barrels of petroleum a day when they reach maximum effectiveness in 1985, according to Ways and Means Committee estimates.

The United States now uses about 6.6 million barrels of gasoline a day. Total oil consumption runs 16.7 million barrels a day, 6.1 million of it imports. The Administration has called for cutting back 1 million barrels a day this year, 2 million in 1977, and "invulnerability" to embargoes by 1985—which is generally taken to mean imports of only about 25% of total U.S. consumption.

The story has been similar on proposals for increasing taxes on gasoline as a means of raising prices and thus discouraging consumption.

Early proposals envisioned phasing in taxes of 30 cents a gallon or more, and many econ-

omists insisted far larger increases would be necessary to achieve substantial results. The Ways and Means Committee, faced with opposition from the White House, congressional Republicans, and some Democrats, settled for a tax that could reach 23 cents by 1980.

Savings of not quite 1 million barrels a day by 1985 are predicted.

Import quotas, recommended by some as a major instrument for reducing consumption, could have some conservation effect under the Ways and Means Committee plan, except that the President is given discretionary power to loosen the tourniquet.

Even government subsidies for home insulation and other fuel-saving improvements, generally considered the "apple pie and motherhood" plank in energy programs, were almost voted down in the Ways and Means Committee by a coalition of some Republicans and maverick liberals who contended that people should not get government help in doing something they would do anyway for financial reasons.

It would be grossly unfair to place all this back sliding on political cowardice. Even the energy specialists do not agree on just what should be done, or on the exact nature of the need.

For political leaders, such as Ways and Means Committee chairman Al Ullman (D-Ore.), Commerce energy subcommittee chairman John D. Dingell (D-Mich.), and Federal Energy Administration chief Frank Zarb, a number of factors make the energy issue especially hard to handle:

The "energy crisis" was originally presented to the public as a matter of shortages during the 1973-74 Arab oil embargo. Now that world markets are awash with oil and the United States is bedeviled with stagflation, it is politically unappetizing to tell voters they should inflict shortages, higher prices, or stiff new taxes on themselves.

A weakened White House cannot command the allegiance of congressional Republicans, and thus has few bargaining chips when negotiating with Democratic leaders.

Democrats, while apparently enjoying enormous majorities, are in fact as divided as ever; splits between conservatives and liberals, Easterners and Southerners, freshmen and veterans all have cropped up.

The Congress as a whole is in the midst of a structural upheaval that has weakened the power of the old committee system.

Tantalizing suggestions that the international oil cartel is about to break up or could be shattered by one or another tactical device undermine those who argue for stringent policies.

Visions of technological salvation through such things as solar energy or hydrogen fusion raise hopes that the country might muddle through without taking drastic action.

Some economists argue that, far from weakening the economy or trading away future prosperity, a continued flow of oil dollars to the largely undeveloped producer countries will ultimately create millions of new customers for U.S. products and thus enlarge the pie for everyone.

When all of these factors are taken into account, one may argue that Dingell, Ullman, Zarb, and other have done a remarkable job in coming as close as they have, as quickly as they have, to creating a comprehensive national energy policy.

Two centuries of American history suggest that a vast and disparate nation is not easily galvanized. It was, after all, more than two and a half years from the Boston Tea Party to the Declaration of Independence, and five years more before George Washington's army gathered enough support to throttle the British at Yorktown.

It seems clear, however, that in the less dramatic struggle for a healthier national energy policy, the country and its leaders

could benefit from demanding a little more from each other than they are doing now. Those urging a more stringent policy make these points:

Politicians who trembled at phasing in a 23-cents-a-gallon gasoline tax might consider that, if the tax were raised to 30 cents a gallon, a family driving a car that gets 10 miles per gallon could do the same amount of driving for the same money simply by switching to a car that gets 15.5 mpg.

Controls on domestic oil prices could be ended sooner rather than later, without resort to the tortuous formulas some are suggesting. Present controls discourage investment in costly techniques for squeezing marginal production out of declining fields. And it makes little sense to pay higher prices to foreign producers than to domestic ones, when the cartel suppliers are beyond the reach of U.S. taxes and U.S. producers are not.

Stiff excise taxes could be assessed on the purchase of fuel-inefficient automobiles. The standard could get progressively stiffer, and be more ambitious than that favored by the Ways and Means Committee. By 1980, anyone buying a new car getting less than 20 miles to the gallon might pay an extra \$400 or \$500 for the privilege. Purchasers of the real gas devourers might pay even more.

The money could be used to finance rebates to buyers of the most energy-efficient vehicles—whether foreign or domestic made.

U.S. automakers and their unions complain that such a tax and rebate system might lose them sales and jobs to imports. That argument would be plausible if the tax and rebate system were to be imposed immediately. But a phased-in system would give the automakers ample time to change their designs and marketing strategies.

Finally, the government could do more to encourage development of alternative sources of energy and of ways for industry and households to use energy more efficiently.

Administration officials argue that they already have budgeted heavy increases in outlays for energy research and development, and to load more funds into this area would simply be wasteful.

They are being short-sighted. Any major mobilization effort produces waste. A bigger effort would produce more waste, but its chances of a big payoff would be greater.

The government could be spending money to finance a broader array of energy research projects. It might also devise ways of sharing the risk with private industry in developing new energy systems.

The effects of all such proposals overlap and interlock; the precise mix is less important than the rigor of the total.

It is true that no progress on energy problems will come without pain. Yet the nation is surely not so far gone on self-indulgence that it sees whipped cream as the ultimate sacrifice.

GOOD SENSE FROM CONSTITUENT

HON. ROY A. TAYLOR

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. TAYLOR of North Carolina. Mr. Speaker, a letter which I received from Mr. James T. Fain, retired newspaper editor of Hendersonville, N.C., contained so much good sense and says so much in so few words that I desire to recommend it to my colleagues.

Mr. Fain's letter reads as follows:

I feel like Winston Churchill: "We have sustained a total and unmitigated defeat.

And do not suppose that this is the end. This is only the beginning of the reckoning unless we rise again and take our stand for freedom as in the olden time."

In the face of all that has taken place I learn that:

Our Army struggles to keep a strength of 16 divisions and 785,000 men and women. Hanoi had that many ringing Saigon. We have cut our strength by half since 1968 while Russia has added 20 divisions.

In the next fiscal year the Navy will drop below 500 ships—a strength lower than 2 years before Pearl Harbor.

Our Air Force is at its lowest ebb since the end of World War II and Congress seems uninterested in the B-1.

The Marines are at three divisions.

Portugal is Communist and there go our bases. Greece pouts and eliminates the 6th Fleet from the eastern Mediterranean.

For God's sake, let us not hamstring our defense at such a time as this.

THE POCONO BOYS CHOIR

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. McDADE. Mr. Speaker, this evening the Pocono Boys Choir will perform in concert at the Kennedy Center as part of Pennsylvania Day festivities and our Bicentennial Celebration. Along with two other choral groups, they will present a Bicentennial Parade of Music Concert in the Concert Hall.

Mr. Speaker, the Pocono Boys Choir provides a musical happening when they entertain. Under the direction of Mr. Bernard Schade, they have traveled to 15 States, and several foreign countries, including a performance at the Harrogate Festival in England. Wherever they sing, they have been acclaimed as musical ambassadors of good will.

Tonight the Pocono Boys Choir will present a repertoire of works by American composers, including "Paul Revere" commissioned especially for them, along with other works by American composers that reflect, in song, life in colonial times.

The Pocono Boys Choir consists of 40 young men in grades 5 through 9. The choir draws membership from 45 different schools throughout northeastern Pennsylvania. During its 6-year existence the Pocono Boys Choir has performed with several symphonies including the Rochester, the Corning, and the Altoona Symphony Orchestras.

These young men are a great reflection on the musical talents on which we pride ourselves in northeastern Pennsylvania. For those fortunate enough to hear the Pocono Boys Choir later today I can guarantee a moving musical experience. It is my pleasure to welcome the Pocono Boys Choir of northeastern Pennsylvania to our Nation's Capital and to thank them for making Pennsylvania Day a success.

HERE IS TO COORS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. SYMMS. Mr. Speaker, I commend the following article to the RECORD by R. M. Bleiberg.

It is my hope that other members of the business community will follow the Coors family example in support of commonsense and the profit and loss, free enterprise system.

This type action could bring on a new day for America and set aside the tired old cliches of dark-age socialism.

The article follows:

HERE'S TO COORS!—IT HAS GIVEN THE COUNTRY MORE THAN A BEST-SELLING BEER

(By Robert M. Bleiberg)

Way back in our salad days as a staff writer, we did an unforgettable feature story called "Adal the Investor." In a gesture quite without precedent in 1952, the late Democratic standard-bearer had just made public his federal income tax returns for the years 1942-51, as well as his portfolio of stocks and bonds. Searching analysis disclosed that Mr. Stevenson was no barefoot boy in Wall Street. On the contrary: "Whatever his views on the national budget, the candidate of the Democratic Party is a man of prudence and discernment when it comes to handling his own money."

Over the years, by the same token, we have tried to keep our own editorial opinions and financial judgments equally weighty but separate. Thus, with an eye toward the reader's edification, rather than his pocketbook, we once paid tribute to the enlightened capitalism practiced by United Fruit Co. (which, as part of United Brands, lately has fallen on evil days for practicing capitalism of a different kind). Another commentary had some friendly things to say about a pioneering, albeit ill-starred, venture in "fishy-backing" (roll-off, roll-on containerships), and we once hailed the achievements of the first publicly owned firm of importers, which afterward went out of business. Despite our unstinting approval of Ross Perot and all his works—Electronic Data Systems, until lately at any rate, was a stock in which it was easier to lose money than to make it.

After this carefully worded disclaimer, it should be safe to salute Adolf Coors Co., which has just disclosed plans to offer to the public 4,100,000 shares of Class B Common Stock (Non-Voting). In so doing, to repeat, we are taking no stand whatever on the merits of either the company's beer or its shares. On the latter count, indeed, we might point out that at the suggested price of \$26-\$30 apiece, Coors Co. common (on the basis of running 12 months' earnings) would command a multiple of more than 20, second only to leader of the six-pack (Budweiser), Anheuser-Busch. Moreover, as the preliminary prospectus points out, the company faces the prospect of higher excise taxes, as well as the threat of legislation aimed at curbing or banning the use of nonreturnable containers and limiting the sale (except on draught) of non-pasteurized fermented malt beverages, for which Coors is famous. Dividends—three cents per share semiannually looks like the policy—are peanuts.

What fascinates us—and, evidently, others—about Coors goes far beyond the investment realm. For in recent weeks the company—and the family that owns it lock, stock and barrel—have come under painstaking scrutiny and subtle attack by two

other publications, The Columbia Journalism Review and The Washington Post. In its issue for March-April, the former printed an article, "Coors Brews the News," by a one-time CBS newsmen. In a preface to the piece on Television News Inc. (TVN), a Coors' subsidiary, the Review summed up as follows: "We tell both sides," said the president of a TV news service backed by conservative Joseph Coors. CJR agreed, after taking a hard look. But our gaze also fell upon a pattern of ideological pressure by management and the dismissal of journalists who disagreed. Its history alone makes the service worth watching carefully." As to The Washington Post, it ran a series of feature stories all last week on the Coors' non-brewing activities: "Coors Beer—and Politics—Move East;" "Coors Bucks Network 'Bias'" "Coors-Backed Unit Seeks Defeat of Hill 'Radicals'."

Under SEC rules and regulations, a prospective issuer of securities can make no comments which might be construed as touting the stock for an indeterminate period prior to a public offering (depending on when he begins to prepare the registration statement) and 60 days afterward. Coors—as its liberal critics are well aware—willy-nilly must stand mute. Yet in its behalf there is much to be said. For one thing, unlike many very rich clans, its scions after nearly a century are still running the family business, a practice which seems to give them a refreshing grip on reality. Moreover, via personal campaign contributions and their corporate television news service, the Coors unabashedly are seeking to defend the principles—free-enterprise and freedom—which helped make them wealthy and this country great.

Six of the 10 "radicals" cited by The Washington Post as Coors' legislative targets voted against a Congressional resolution seeking to condemn Hanoi for violating the Paris Peace Accords, a position which would seem to forfeit the quotation marks. In turn, television network "bias" was blatantly underscored at last month's Academy Awards, when the Oscar-winning producers of a documentary film—one of whom wrote and produced "The Selling of the Pentagon" for CBS—read a message of greeting from the North Vietnamese. As more and more Americans uneasily are coming to perceive, the U.S. and what it stands for are under relentless collectivist assault, both at home and abroad. Those who are resolved to fight back rate our salute.

Nor can a national business and financial weekly ignore the corporate achievement which Coors has come to symbolize, too. Since 1970, sales have increased from \$315 million to \$602 million (in the 12 months ended March 23, 1975), while earnings have surged from \$31.7 million, or 77 cents per share, to \$45 million (\$1.26). Over the past decade, Coors' share of the total market has leaped from 3.55% to 8.51%, while its industry-wide ranking has gone from 12 to 4. In the 10 Southwestern states which it fully serves, its share-of-market ranges from an impressive 40.4% in California to a staggering 69.5% (Oklahoma). Coors beer boasts what can only be called a fanatical following. In the East, where Coors is hard to come by, a case goes for \$12.50, roughly three times what it commands in Colorado.

Beer and skittles are all well and good, but they don't satisfy the Coorses. On the contrary, unlike far too many of their big business colleagues, who are willing to "live with" endless encroachment, the two brothers—William and Joseph—who head both family and company, over the years have chosen to resist. Thus, they fought up to the U.S. Supreme Court—and lost—a decree by the Federal Trade Commission which, according to the Prospectus, will have no "significant effect on operations or on the distribution of Coors." As a regent of the University of Colorado, Joseph Coors was

instrumental in having the so-called Students for a Democratic Society, left-wing totalitarians, banned from campus. Family trusts have financed several committees and at least one foundation of conservative cast, activities which, thanks to the proceeds of the current stock offering, presumably are destined to expand.

Far and away the most ambitious effort along these lines was the launching in May 1973 of Television News, Inc., which "supplies line-fed video news service to television stations throughout the country." Designed to offer a "straight-down-the-middle" alternative to the occasionally slanted fare originating from the networks. TVN in two short years has left its mark on the video scene. True, owing largely to heavy transmission costs, it is still in the red: after-tax losses for 1975 will exceed \$3 million. Yet there is a brighter side. TVN to date has signed up 76 subscribers (45 in the U.S.), progress toward the 100-odd it needs to break even. Opinions as to the quality of output vary ("They've worked their way up," so the Columbia Journalism Review quoted one news director, "to a C or C-plus"; however, The Washington Post quotes a number of other stations which are satisfied with the material and use a good deal of it. * * * The Gallagher Report once forecast TVN's demise within months. Lately it has revised its estimate. "Survival of non-network-controlled news service," said Gallagher last November, "is important to industry."

In our view, it's important to the country. Although The Washington Post, through its use of quotation marks, tends to scoff at the notion, network "bias" has been thoroughly documented. Four years ago, Barron's, citing chapter and verse over nearly a decade, accused CBS of slanted journalism, the thrust of which "has tended to be violently against what most of the country would regard as its basic interests, institutions and values." In "The News Twisters," Edith Efron, who writes for TV Guide, subsequently analyzed prime-time news broadcasts of all three major networks for the seven weeks ended November 4, 1968. Here are her conclusions: "The networks actively slanted their opinion coverage against U.S. policy on the Vietnam war. The networks actively slanted their opinion coverage in favor of black militants and against the white middle-class majority. The networks largely evaded the issue of violent radicals."

Since then, to be sure, there has been spotty improvement. CBS has tightened procedures governing its once-slipshod documentaries, while Peter Davis, who aired the controversial "Selling of the Pentagon," has left its employ to pursue work which openly evokes "greetings of friendship" from the Communist camp. Yet the U.S. (on its video screens, as elsewhere) needs a choice, not an echo. For providing one, we have Coors to thank.

MARXISM—LENINISM—MAOISM—
ARTHUR KINOY THOUGHT: THE
NIC, PART I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. McDONALD of Georgia. Mr. Speaker, on Sunday, May 4, 1975, some 300 radicals staged a "victory celebration" in Lafayette Park across the street from the White House to mark the Communist conquest of South Vietnam.

The organizers of the rally were primarily from a group known as the Na-

tional Interim Committee for a Mass Party of the People—NICMPP or NIC—who were holding organizational meetings at Antioch Law School over the weekend. Principal speakers included NIC leaders Arthur Kinoy of the National Lawyers Guild; Peg Averill, a former Kent State activist; and David Dellinger; as well as Indochina Resource Center leader Fred Branfman who has acted as a dedicated propagandist for the North Vietnamese communists and the Khmer Rouge for some 5 years.

The National Interim Committee for a Mass Party of the People for nearly 2 years has been developing the structure to form a new Marxist-Leninist revolutionary party which while openly accepting the eventual "necessity" of "armed struggle" in America, also hopes to organize large numbers of less committed leftists.

The NIC was developed during the summer and fall of 1973 by Arthur Kinoy, then serving yet another term as vice-president of the National Lawyers Guild—NLG—an identified Communist front organization which has recruited large numbers of new left lawyers and law students since 1969.

Arthur Kinoy, chronologically a member of the old left—he is 54 years old—is equally, if not more comfortable with new left activists, among whom are his daughter, Joanne, once associated with leading members of the SDS Weatherman faction, and his second wife, Barbara Webster Kinoy, a former staffer with the Peoples' Coalition for Peace and Justice—PCPJ—and the People's Peace Treaty campaign in support of the North Vietnamese.

Kinoy's academic credentials are impressive. He graduated magna cum laude with an A.B. from Harvard in 1941. In 1947, he received a law degree from Columbia University where he served as executive editor of the Law Review.

While a student at Harvard, Kinoy was a member of the National Executive Committee of the American Student Union—ASU—an organization cited as a Communist front by five different investigating bodies. In 1945, he was a registered member of the American Labor Party—ALP—a Communist political front. Later he was a representative of the International Workers Order, another much cited Communist front.

A professor of constitutional law at Rutgers University Law School in Newark, N.J., Kinoy is also a member of the law firm of Kunstler, Kunstler & Hyman in New York City. He was a founding member of the Center for Constitutional Rights whose staffers also are members of the NLG. Kinoy is a member of the National Council of the National Emergency Civil Liberties Committee—NECLC—a cited Communist front, and received its Tom Paine Award in 1966. In 1959, Kinoy was a member of the law firm of Sacher, Donner, Perlin & Friedman. Both Harry Sacher and Frank Donner have been identified as Communist Party, U.S.A. members.

While Arthur Kinoy was never identified as a CPUSA member, he was closely associated during the 1950's with the

members of the Benjamin Davis faction of CPUSA in New York City. Kinoy has represented many CPUSA clients, including Morton Sobell, convicted for his part in the Rosenberg atomic spy ring, and he was a staff counsel for the United Electrical, Radio and Machine Workers of America, expelled from the CIO for its Communist leadership and character.

During the 1960's and 1970's Kinoy used his considerable legal skills to assist a wide variety of Communist and radical new left groups including the American Committee for the Protection of the Foreign Born, the W.E.B. Du Bois Club of America—predecessor of the Young Workers Liberation League—Vietnam Veterans Against the War, Students for a Democratic Society, the Southern Conference Educational Fund, the Student Nonviolent Coordinating Committee, National Committee to Abolish the House Un-American Activities Committee, the Black Panther Party, and the White Panther Party.

Because of his leadership role in the formation of the emerging new Marxist-Leninist party, as a united coalition of many existing Marxist and Maoist groups, an understanding of Kinoy's political stance is important.

In a 1970 article published in the *Guild Practitioner*, "The Role of the Radical Lawyer and Teacher of Law," Kinoy quoted from the Proceedings of the Seventh Congress of the Communist International, Moscow, 1935, and wrote:

"I commend these proceedings to the careful study of all radicals, communist and non-communist, Marxist and non-Marxist alike * * * for the insight it may give on occasion to the problems of the present * * *"

The Seventh Congress of the Comintern was devoted to the development of new tactics by the Communist movement; the order was for united fronts, popular fronts and cooperation with "working and oppressed peoples" to "resist the efforts of the most reactionary wing of capital to institute open terrorist dictatorship."

This meeting of the Comintern, so important to Kinoy, was held under the chairmanship of Georgi Dimitrov, who said that by allying themselves with progressives and liberals, the Communists could "Penetrate the very heart of the enemy's camp." Dimitrov continued,

We must utilize anti-Fascist (liberal) mass organizations as the Trojan horse. Whoever does not understand such tactics or finds them degrading is a babbling and no revolutionary.

Arthur Kinoy may be verbose, but his record shows he is too dangerous to be considered a mere babbling.

Although propounding his ideas for a "mass party of the people" at least since the December 1971, meeting of PCPJ and Mayday Tribe activists at the somewhat inappropriately named Tranquility Farm in Allamuchy, N.J., Kinoy's ideas first gained wide currency among the Marxist new left as a massive monograph distributed by the National Interim Political Committee of People Working for a Mass Party of the People, as NIC was first called.

NIC was formed at a by-invitation-only "national" meeting in September 1973 in New York. First operating from

the home of one of its members, Vivian Stromberg, at 5410 Netherland Ave., Bronx, N.Y. 10471, 212-549-8125, NIC soon moved to its present headquarters at 156 Fifth Avenue, Room 812, New York, N.Y. 10010, 212-243-0591.

Kinoy's original monograph, "A Party of the People," sold for \$1 by NIC, sets out in considerable detail a "bold new strategy" for "the taking of control of every economic, social, and political institution now controlled by the ruling class, and the vesting of that control in the people who live and work in these institutions." More traditional Marxists term this the dictatorship of the proletariat.

Reduced by about one-third in size, Kinoy's monograph was published in *Liberation* magazine's December 1973, issue which editorialized,

We * * * sense that the time has come for those who suffer from this system * * * to demand its dissolution or overthrow and to seek actively to implement this eminently reasonable goal * * *

While the *Liberation* version of the Kinoy paper provides only one example of a catalyst leading to an "alliance of all the oppressed classes,"—the student/worker riots in Paris in 1969—the original NIC document is more detailed as to its ideological inclination.

* * * the theory [that] shaped the strategy of as diverse movements as the Soviet, the Chinese, the Vietnamese and the Cuban struggles, must remain central in the thinking of all who would attempt to chart out a strategy to take power in this last and powerful stronghold of world capitalism."

Also missing from the *Liberation* magazine condensation is the discussion on violence. Paralleling the traditional Leninist view that only the party can decide when acts of revolutionary violence are appropriate, and the present line of the CPUSA and Socialist Workers Party that current conditions in this country are not ripe for armed actions, Kinoy asserted that violence does not "correspond to the political reality of today." However, he noted:

. . . even such diverse spokesmen for non-violent resistance as Thoreau and Gandhi acknowledged the usefulness, even the necessity, of acts of violent resistance at certain moments. Nor can a movement which draws inspiration and courage from contemporary struggles of the Vietnamese, Cuban and Chinese peoples and the past experiences of the American, Russian and Chinese Revolutions afford to dismiss or discount for all times and places methods of violent and armed struggle. [Emphasis in the original].

The members of the original NIC political committee included:

Arthur Kinoy, National Lawyers Guild.
Stanley Aronowitz, *Liberation* magazine, a former writer for the *Guardian* and labor organizer.

Joe Carnegie, New York Transport Rank & File and leader of Fight Back in Brooklyn.
Owen Brooks, Delta Ministry of Mississippi.

Gina Cestero, Puerto Rican Socialist Party, a self-characterized Marxist-Leninist vanguard party supported by the Cuban Communists.

David Dellinger, *Liberation* magazine and a leader of the People's Coalition for Peace and Justice and its predecessors.

Barbara Deming, *Liberation* magazine.
Frank Joyce, a former activist with PCPJ,

the People's Peace Treaty organization, and People Against Racism.

Staughton Lynd, a founder of the New American Movement and formerly associated with the Institute for Policy Studies.

Jay Schulman, active with the Wounded Knee Legal Defense/Offense Committee, the Peace and Freedom Party and *Jewish Currents* magazine.

Lillian Shirley, formerly active with the Harrisburg Defense Committee and Resist.

Vivian Stromberg, Teachers Action Caucus, New York City.

Mr. Speaker, while I have outlined the origins and basic position of the National Interim Committee for a Mass Party of the People indicating its revolutionary intent, new and serious developments with this group require still more discussion.

In light of the NIC's renewed involvement with revolutionary calls for "armed struggle," I will continue my report to my colleagues.

POLES IN THE SOVIET UNION

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. DERWINSKI. Mr. Speaker, in view of recent foreign policy decisions which include a reappraisal of policy in major geographical areas as well as the legitimate doubts that many Members have regarding the future of détente with the Soviet Union, I direct the attention of the Members to an article in the April 25, the *New World*, a publication of the Chicago Catholic Archdiocese, which discusses the continued distain by the Soviet authorities toward the human rights of the inhabitants within the U.S.S.R. I insert the article at this time:

POLES IN THE SOVIET UNION

It is so easy to forget. That sometimes seems to be the fate of those who are in a very real sense held captive by the Soviet Union. The August, 1974, issue of *East Europe* recalls that there are two million forgotten Poles in the Soviet Union. It says: "There is some knowledge about the Poles in Lithuania, primarily in the Wilno region; in Byelorussia; in the Ukraine, especially in the former Polish areas, such as Lwow, Tarnopol and Stanislawow, and in Moscow and Leningrad."

The article points out that in Moscow St. Louis parish has about 3,000 parishioners, with more than 70% of them Polish. This is a "show" church, because among those attending church services there are Catholic members of the diplomatic corps—and heads of state visiting Moscow often attend services at St. Louis Church. "Basically," says East Europe, "the parish has no financial problems. Economically, the Poles in Moscow fare fairly well. Their standard of living, although substantially below the one in U.S.A., seems to be fairly good. In fact, almost twice as good as of their counterparts in Poland."

But in other parts of the Soviet Union, it is a different story. In Byelorussia, "all signs of Polishness were eliminated." In the Ukraine, "there are three Polish schools and three Polish churches in Lwow but only one elderly priest, attached to the Cathedral."

In Lithuania, however, East Europe estimates there are about 200,000 Poles; there are Polish schools, a Polish daily in Wilno

and about 10 regional papers, a large number of books in Polish but most of them represent communist literature.

One great need of Poles attending Polish churches in the Soviet Union is prayer books. East Europe points out that the Soviet authorities do not permit publishing Polish prayer books, nor even importing them from Poland. When a tourist from Poland tried to bring in Polish prayer books, customs officials confiscated them at the border. As a result of this ban, there is a considerable number of handwritten copies of the old books among the faithful.

In the vast area of the Soviet Union, from the Urals to Vladivostok, says East Europe, there is only one Polish priest to care for the spiritual needs of more than a million Poles. Thousand of Poles are in Soviet prison camps in Siberia.

East Europe says that many Poles in the Soviet Union, faced with discrimination because they are Polish, do not state their true nationality and list themselves as Russians.

There is still little information about the vast majority of the Poles living in Russia, but there is no question but that their condition is very difficult, and their spiritual needs are both ignored and hindered by the authorities.

UNITED NATIONS AND ITS AFFILIATED INTERNATIONAL ORGANIZATIONS MUST GET BACK TO ORIGINAL PURPOSES

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. WOLFF. Mr. Speaker, it is no secret that many thoughtful men and women across this Nation, and, indeed, across the world, are becoming increasingly dissatisfied with the lack of performance of the United Nations in recent years. That international organization, which still serves as a repository of hope for eventual world unity, has been slipping into increasingly partisan, narrowminded and, ultimately, self-defeating postures in many phases and levels of its operations.

The latest and certainly one of the most inexcusable lapses came only last weekend, when the executive board of UNESCO voted to exclude a member of the U.N. from two educational conferences in the Mediterranean area.

Such a blatantly political ploy by a pro-Arab majority of the UNESCO board would be intolerable in itself. But, in view of the absolute betrayal of the law and spirit of what UNESCO is charged with carrying out in the name of all humankind, Mr. Speaker, the vote by the UNESCO board demands the strongest action and condemnation by all nations, their governments, and their peoples.

If UNESCO is to be turned into a political playpen to rank with the General Assembly, then surely the hope of the United Nations will be severely dimmed, if not closed off permanently. This is neither the place nor the occasion to discuss possible remedies for the loss of responsibility which the General Assembly is apparently embracing without reservation. But I would hope that the General Assembly will take note of the outrage presently being expressed by responsible

men and women, including Nobel laureates across the world, at the recent performance of UNESCO.

I would note a full-page advertisement in the New York Times of April 30, 1975—well before the latest outrage by the UNESCO board referred to above—calling on UNESCO to stop violating its own charter, and pleading with the organization to return to its original non-political objectives of furthering the intellectual and moral progress of mankind.

UNESCO board members, and delegates to the U.N. should take note of increasing reluctance on the part of Members of Congress to continue the pattern of massive U.S. funding of an organization which some fear no longer desires to act responsibly in world affairs. It is no accident that Congress has limited U.S. financial participation to no more than 25 percent of the total of many U.N. activities, including UNESCO.

I should note, Mr. Speaker, that since its inception, the U.N. has seen nearly 42 percent of its budget funded by the taxpayers of the United States. This condition is now a condition of the past, thanks largely to the increasing irresponsibility of the other members of the U.N.

Monday, in a subcommittee session to finish the markup on the State Department authorization bill, the membership agreed to my amendment striking out a "bill" for so-called arrearage in the U.S. contribution to UNESCO for the past year—some \$2.7 million. We are not saying the United States should never pay the money, Mr. Speaker, but we are putting all concerned clearly on notice that Congress will no longer shoulder the major burden for the U.N. until the world community accepts its own financial responsibilities.

The conditions of the amendment adopted Monday are such that the United States is willing to pay the \$2.7 million in question—but only upon payment of U.N. arrearage by all other nations. Until that time, the United States will stick to the limitation. We are not saying that the United States will cease to support the U.N. according to its ability to pay, Mr. Speaker, but we are saying that we will no longer pay for a pig in a poke, which is what the General Assembly and UNESCO are increasingly becoming in terms of their legal responsibilities to further world peace and understanding.

We are hopeful that Monday's session will be received as an alert to UNESCO that Congress must see some changes for the better—not "what the United States wants," or "the Arabs want" or any other specific interest group—but a genuine move toward a return to honest furtherance of world peace and understanding and the original mandate of the U.N. and its international affiliated organizations.

If such changes are not forthcoming, Mr. Speaker, the board members of UNESCO must be prepared to accept an end to all U.S. participation. Let the board members of UNESCO from this day forth consider themselves to be "on

notice." The world community is watching, and hoping.

TESTIMONY ON S. 1284

HON. DONALD W. RIEGLE, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. RIEGLE. Mr. Speaker, on May 8, the eminent professor of economics of Michigan State University, Walter Adams, appeared before the Senate Subcommittee on Antitrust and Monopoly to discuss reform of the antitrust laws. I would like to share with my colleagues Dr. Adams' keen analysis of antitrust procedures and the reforms needed to make them more effective:

TESTIMONY ON S. 1284—HART-SCOTT BILL

(By Dr. Walter Adams)

It is a pleasure and a privilege to appear before this Committee in support of S. 1284, co-sponsored by the senior Senator from Michigan, the Chairman of this Subcommittee, and by the senior Senator from Pennsylvania, the Minority Leader of the Senate. Enactment of this bill would contribute significantly to effective enforcement of the antitrust laws, and to the promotion of effective competition in the American economy.

In discussing the several provisions of the bill, I propose to comment first on what might be called the "penalty" provisions, and second on what might be called the "information" provisions of the bill.

TITLE VI—NOLo CONTENDERE

Under present law, defendants in criminal antitrust cases may, with the court's permission, plead nolo contendere. It is an implied confession guilt—a polite guilty plea—which does not immunize the defendant from criminal penalties but shields him from a host of other legal unpleasanties. In effect, the defendant tells the court: "Your Honor, I do not plead innocent. Nor do I plead guilty. I simply refrain from contesting the charges in the criminal indictment. Now, without trial or adjudication of the facts, please proceed to punish me—either by fine or by imprisonment—as if I were in fact guilty."

In following this curious procedure, the defendant gains certain palpable benefits without incurring undue risks. First, he knows that antitrust sentences seldom fit the crime. They are more often than not symbolic slaps on the wrist.

Fines are almost never commensurate with the profits derived from the violation, and hence are not effective deterrents to rational calculators of the costs and benefits. Prison sentences are rarely imposed, typically suspended, and in any event are usually less than 6 months in duration. Under the antitrust laws, therefore, criminal penalties hardly constitute appropriate punishments; nor do they serve as effective deterrents. Second, the defendant knows that a nolo contendere plea cannot be used as prima facie evidence by a private plaintiff in subsequent triple damage actions. Though it is an implied confession of guilt upon which criminal penalties can be assessed, the nolo contendere plea is deemed to be equivalent of a consent decree and, in the eyes of the law, treated in the same manner for evidentiary purposes. By entering such a plea, therefore, the defendant effectively precludes the filing of numerous triple damage actions, because these can realistically be attempted only where the plaintiff is able to rely on a final judgment in prior government action as

prima facie evidence. In short, the nolo plea becomes a protective device which enables the antitrust violator to short-circuit the imminent threat of triple damage remedies for the victims of his misfeasance.

Title VI of S. 1284 would deny to antitrust violators the privilege of using nolo contendere as a subterfuge for a guilty plea. In doing so, it would contribute significantly to effective antitrust enforcement—for a number of reasons.

First, by closing the nolo contendere loophole, the bill raises the cost of committing antitrust violations. As Attorney General Brownell put it in his famous Memo No. 42,

"One of the factors which has tended to breed contempt for federal law enforcement in recent times has been the practice of permitting as a matter of course in many criminal indictments the plea of nolo contendere. While it may serve a legitimate purpose in a few extraordinary situations and where civil litigation is also pending, I can see no justification for it as an everyday practice, particularly where it is used to avoid certain indirect consequences of pleading guilty, such as loss of license or sentencing as a multiple offender.

"Uncontrolled use of the plea has led to shockingly low sentences and insignificant fines which are no deterrent to crime. As a practical matter it accomplishes little that is useful even where the Government has civil litigation pending. Moreover, a person permitted to plead nolo contendere admits guilt for the purpose of imposing punishment for his acts and yet, for all other purposes, and as far as the public is concerned, persists in his denial of wrongdoing. It is no wonder that the public regards consent to such a plea by the Government as an admission that it has only a technical case at most and that the whole proceeding was just a fiasco."

Second, the bill would remove the discriminatory and preferential treatment currently accorded to antitrust violators, and counteract the all-too-fashionable tendency of regarding antitrust infractions as a relatively harmless species of "victimless," "white collar" crime—a mere malum prohibitum rather than a malum in se. The bill recognizes, as Title I makes clear, that antitrust crimes are not inconsequential. They may be passionless in execution. They may be carried out by non-violent means. They may be impersonal in character and indifferent in the choice of victims. Their impact may be quite remote from the scene of the crime. But none of these considerations make criminal offenses under the antitrust laws any less baneful, venal, or anti-social. Indeed, as E. A. Ross argued long ago, in his landmark work *Sin and Society*.

"Today the villain most in need of curbing is the respectable, exemplary, trusted personage who, strategically placed at the focus of a spider-web of fiduciary relations, is able from his office-chair to pick a thousand pockets, poison a thousand sick, pollute a thousand minds, or imperil a thousand lives. It is the great-scale, high-voltage sinner that needs the shackle. To strike harder at the petty pickpocket than at the [white collar criminal] . . . is to 'strain at a gnat and swallow a camel.'"

Title VI takes a step in the right direction by making nolo contendere equivalent to a guilty plea for evidentiary use in private triple damage actions.

Third, the bill would enable the victims of criminal antitrust violations to seek realistic remedies for the wrongs inflicted on them. As things now stand, the private plaintiff in an antitrust proceeding must shoulder a formidable burden of proof. He must demonstrate that an antitrust violation has been committed; he must show that he was injured in his business or property as a direct result of such violation; and he must prove the exact amount of the damages by

him sustained. Experience shows that the first step—proof that a violation has occurred—is almost always a costly, time-consuming, and complicated matter. Moreover, since the typical triple damage plaintiff is a David confronting a Goliath, he generally lacks the resources and competence for the full investigation and analysis on which to base proof of violation. More often than not, therefore, he is dependent on the federal government to have established a violation of the antitrust in a prior proceeding which he can then use as prima facie evidence to carry forward his own claim for damages. (Note, for example, the number of successful triple damage actions based on the convictions obtained by the government in the great electrical conspiracy. Note also that the financial impact of these private suits on the conspiring corporations was greater—by a factor of approximately 100—than the paltry fines collected by the government.) By making nolo contendere equivalent to a guilty plea, S. 1284 would simply give the victim of criminal antitrust violations a badly needed weapon for his self-defense.

TITLE III—FEDERAL TRADE COMMISSION AMENDMENTS

This section of S. 1284 would amend the Federal Trade Commission Act to provide for increased penalties for disobeying FTC special orders or subpoenas. In 1914, when establishing the Federal Trade Commission, Congress set the penalty for such infractions at \$100 a day. It has not been changed since then. This title would set the penalty at not more than \$5,000 nor less than \$1,000 per day.

This should not be a controversial question. Clearly, the cost of sinning ought to go up at least as much as the cost of living. (The wholesale price index has increased approximately fivefold between 1914 and 1974.) More important, we must take account of the spectacular increase in the size and earnings of major corporations since the enactment of the old Clayton Act. Consider, for example, that the Standard Oil Trust in 1911, the year of its dissolution, disbursed dividends of \$40,000,000, whereas one of its successor companies, the Exxon Corporation, in 1974, distributed dividends of \$1,119,000,000—an amount roughly 30 times greater. Or consider the impact on Exxon of a \$100 per day penalty, if the corporation were to violate an FTC order or subpoena; on an annual basis, it would amount to \$36,500—or one-thousandth of one percent of Exxon's profits in 1974.

However inadequate a daily fine of \$100 may have been to deter disobedience to FTC orders in 1914, it has with the passage of time become a ludicrous irony. Enactment of Title III would be a simple recognition of that fact.

TITLE IV—PARENS PATRIAE

This section of S. 1284 would permit State attorneys general to file antitrust actions and to collect triple damages on behalf of the citizens of their states. In other words, it would authorize the chief law enforcement officer of a State to file a "class action" suit on behalf of the victims of antitrust crimes located within his jurisdiction. Its enactment would increase further the deterrent to the perpetration of one form of "white collar" crime and offer the victims of such crime an efficacious mechanism for obtaining restitution.

Much of the rationale offered in support of Title VI above is equally applicable to Title IV, with the additional consideration that States command both more substantial resources and greater expertise than the typical private litigant to bring successful triple damage actions.

TITLE V—PREMERGER NOTIFICATION

This section of S. 1284 would provide for prior notification to the Federal Trade Com-

mission and the Department of Justice, and a waiting period before a proposed merger can be consummated. A 30-day waiting period would apply to all corporate mergers, and a 60-day waiting period to giant mergers—i.e. those with combined assets of \$100 million and more. Further, the section provides that if an antitrust action challenging the legality of the merger is brought during the specified waiting period, the Government is authorized to block consummation of the merger until its legality has been determined by the courts.

The proposed changes are crucial to effective enforcement of the antimerger provisions of the Celler-Kefauver Act. First, the bill would insure that all prospective mergers, and especially giant mergers, would promptly be brought to the attention of the enforcement agencies.

Second, by requiring the submission of certain basic information at the time that notice is given of a proposed merger, and by providing for the submission of additional relevant information upon request by the Federal Trade Commission or the Department of Justice, the bill would insure that the enforcement agencies have the necessary data on the basis of which they can analyze the probable impact of the proposed merger on competition.

Third, the bill would authorize the enforcement agencies to block a merger prior to its consummation and to require that the assets of the merging companies be kept separate until final adjudication of the merger's legality in the courts. This is a provision of capital importance, because it would avoid the practical difficulties of a postmerger unscrambling of already commingled assets, or of convincing the courts to undertake this onerous task. The House Judiciary Committee, in its Report No. 488, 85th Congress, 1st session, underscored this point:

"The bill will, therefore, help avoid the practical problems of unscrambling corporate mergers entered into in violation of section 7. Because of problems involved in an unscrambling process, the courts have been understandably reluctant to order divorcement, divestiture, or dissolution to remedy violations of the antitrust laws. Indeed, in the more than 60 years of Sherman Act history, courts have entered decrees requiring divorcement, divestiture or dissolution in only 24 cases, taking the position that judicial restraint should prevent the imposition of divestiture where other effective remedies, less harsh, are available. It is precisely because of difficulties in restoring the previous status and the attendant reluctance of courts to undo what has been done, that makes necessary the present provisions for evaluating prospective mergers and acquisitions before they have become accomplished facts—before they have developed to the point where it becomes necessary to debate whether a surgical remedy may be too drastic."

The Federal Trade Commission Hearing Examiner, in ruling on the merger between Farm Journal and Country Gentleman, illustrated the difficulty—indeed, the virtual impossibility in some cases—of providing divestiture relief after the merging companies had already commingled their assets and combined their operations (In the Matter of Farm Journal, Docket 6388):

"It would be difficult, indeed, to find an acquisition which would point up the procedural inadequacy and ineffectiveness of section 7 of the Clayton Act as amended, when its objectives are considered, than that presented here. It is not just a case of too little and too late, from a trial standpoint. A pre-acquisition waiting and examination period, made mandatory by statute, coupled with the power to seek injunctive relief from the courts, would have kept the eggs in the basket until it had been determined whether it was to the public's interest to scramble

them, instead of, as here, trying to unscramble them. If the record now before this examiner had been presented for precontract approval, this proceeding would probably have been unnecessary. General equity power likewise would accomplish much.

"Divestiture is only half the objective of the statute, as the examiner construes it, and its legislative history and purpose. It does take away, and prevent the further use of competitive tools and weapons illegally acquired, but the aim, it would seem, is broader than that—namely, to restore to the relevant markets those competitive weapons to an active and vigorous use in the hands of the seller, or into those of a new entrant, so that competition may continue with its former vigor. This, as respondent contends, is impossible. Country Gentleman is dead, and the 'assets' which it turned over to respondent are now without value to any newcomer or, indeed, to any farm publication now in the field. When his corn is taken from him and the horse dies, it is the height of vanity to strew the bare corncocks on his grave. All that can be accomplished, then, is simple divestiture of the 2 trade names and the 2 lists, although, in the examiner's opinion, this at most may only disturb, but will not diffuse the coalescence which has taken place."

The same point was also made by Professor Kenneth Elzinga in his landmark article, "The Antimerger Law: Pyrrhic Victories?," a copy of which is attached herewith as an appendix to my statement and which I respectfully submit for inclusion in the record. After carefully reviewing the relief granted in a sample of cases adjudicated under the Celler-Kefauver Act between 1950 and 1964, Elzinga observes—not without a note of sadness—that the relief obtained in the vast majority of merger cases has been far from effective. He concludes

"First, that the time span between the acquisition and the divestiture order can, in a dynamic market setting, prevent or make very difficult the unscrambling of two firms. Second, the so-called partial divestiture has not distinguished itself for efficacy. Third, a loose handling of the divestiture of post-acquisition improvements could afford an economic incentive to firms to expand in violation of Section 7, planning on divesting the acquired assets several years hence. The answer to these problems involves cutting down or eliminating this time span. It . . . requires a closer adherence to the principle that relief is a failure if sufficient assets are not excommunicated to reestablish an independent firm of sufficient size to survive. Normally, this would seem to require full divestiture including any post-acquisition improvements."

Clearly, enactment of Title V of S. 1284 would go a long way toward alleviating these problems. It would give the enforcement agencies the necessary authority to interdict effectively those mergers which tend to substantially lessen competition or tend to create a monopoly. The importance of this objective, I know, need not be underscored before this distinguished Committee.

TITLE II—ANTITRUST CIVIL PROCESS ACT AMENDMENTS

This section of S. 1284 would authorize the Department of Justice to issue civil antitrust process to individuals as well as to corporations and third parties. Its major importance consists of the fact that the Department could obtain the necessary information to evaluate potential antitrust violations (especially mergers) before rather than after they have occurred. This is not explicitly authorized under present law—a deficiency which should be corrected.

CONCLUSION

In conclusion, I respectfully submit that the competitive system is not bellum omnium contra omnes. It is not an ecological equil-

ibrium, a state of nature, in which the law of the jungle reigns supreme. Rather, it is a legal, ethical, institutional arrangement—an economic community under covenant—an arena where powerful forces collide, but in accordance with strictly prescribed and socially beneficent rules. In this arena, an individual may seek private gain; his motive may be to benefit neither his neighbor nor his community, but if the rules of the game are properly drawn, the individual seeking his and only his gain should be able to achieve this goal only by serving others as well. In this sense, the market is an organizing principle for coordinating individual activity—a planning mechanism which is autonomous, impartial, and external to human control, manipulation, and perversion. It is a mechanism for harnessing the individual to social ends, while depriving him of power so great that, if abused, it would result in harm to his fellows.

In *The Control of Trusts*, published shortly before enactment of the Clayton Act, John Bates Clark emphasized the importance of the rules by which the competitive game is played:

"In our worship of the survival of the fit under free natural selection we are sometimes in danger of forgetting that the conditions of the struggle fix the kind of fitness that shall come out of it; that survival in the prize ring means fitness for pugilism; not for bricklaying nor philanthropy; that survival in predatory competition is likely to mean something else than fitness for good and efficient production; and that only from a strife with the right kind of rules can the right kind of fitness emerge. Competition . . . is a game played under rules fixed by the state to the end that, so far as possible, the prize of victory shall be earned, not by trickery or mere self-seeking adroitness, but by value rendered. It is not the mere play of unrestrained self-interest; it is a method of harnessing the wild beast of self-interest to serve the common good—a thing of ideals and not of sordidness. It is not a natural state, but like any other form of liberty, it is a social achievement, and eternal vigilance is the price of it."

In short, competition can be effective only if the game is played by the right set of rules. Also, if the rules are to have any meaning, the umpire must be given the powers necessary for their effective enforcement. And that, in essence, is what S. 1284 proposes to do.

HONORS COUNTY AGENT JOHN ANDREWS

HON. OTTO E. PASSMAN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. PASSMAN. Mr. Speaker, I would like to join many high officials of our Federal Government, including Acting Administrator, USDA Extension Service, George E. Hull, and Hon. John A. Cox, Director of the Louisiana Cooperative Extension Service, in honoring one of our dedicated public servants, County Agent John Andrews.

John Andrews has been singled out for the Superior Service Award from the U.S. Department of Agriculture, one of the highest awards an employee of the system can receive. He was notified of his selection for the award via a letter from Mr. Cox.

Andrews will receive the award on May 28 at 10:30 a.m. at the Sylvan Theater on the Washington Monument

Grounds in Washington, D.C. He will later be a guest at a reception hosted by Epsilon Sigma Phi for the award winners.

Andrews has worked in the Cooperative Extension Service for a number of years and has also been active in community affairs. He was leader of a group which spearheaded the establishment of a Farmers Market in Morehouse Parish and was the first black to be honored for his service by the Bastrop-Morehouse (Louisiana) Chamber of Commerce.

Mr. Andrews was nominated to receive either the Distinguished Service Award or the Superior Service Award and the USDA Honor Committee selected him to receive the Superior Service Award, one of the highest honors offered by the Department for employees.

METHODS TO IMPROVE HEALTH CARE IN THE UNITED STATES

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. THOMPSON. Mr. Speaker, improved health care for all Americans is a subject which continues to command the attention of Congress. One of the more controversial issues being debated by those interested in the quality of health care in the Federal Government's regulatory policy for the pharmaceutical industry. Quite recently Mr. Richard M. Furlaud, chairman and chief executive official of the Squibb Corp., presented 10 proposals in a speech before the annual shareholders meeting which he feels would contribute to improved health care in the United States. While I do not necessarily adhere to all of Mr. Furlaud's proposals, I do think that his considerable experience and knowledge of the pharmaceutical industry merits careful consideration of his proposals. I am pleased to present excerpts from the text of Mr. Furlaud's speech:

TEN PROPOSITIONS TO CONTRIBUTE CONSTRUCTIVELY TO IMPROVED HEALTH CARE IN THE UNITED STATES

(Excerpts from remarks of Richard M. Furlaud, chairman and chief executive officer Squibb Corp. at its annual shareholders meeting, Princeton, N.J., May 6, 1975)

In his erudite and elegant book "The Lives of a Cell," Doctor Lewis Thomas makes the point that in medicine there are three quite different levels of technology. First of all, there is a large body of what might be termed "non-technology," which does not purport to treat the underlying mechanism of disease and cannot affect its course. This is all that is available today to patients afflicted with at least 20 major diseases, such as intractable cancer, severe rheumatoid arthritis, multiple sclerosis, stroke and the like.

The next level up is what Doctor Thomas calls "Half-way technology." This represents what is done after the fact in efforts to compensate for the ravages of diseases whose course one is unable to do very much about. The outstanding examples or half-way technology in recent years are spectacular organ transplants and the extremely complex and costly technology that is used for the management of coronary heart disease, kidney disease, cancer and the like.

And finally, the third type of technology is the genuinely decisive technology of modern medicine, which has upgraded the quality of human life around the world. This is exemplified by immunization against diphtheria and the childhood virus diseases, by the use of antibiotics for bacterial infections and by the capacity to deal with syphilis and tuberculosis. The point that Doctor Thomas makes about this kind of technology is that it comes as a result of a genuine understanding of disease mechanisms and when it does become available, it is relatively inexpensive, relatively simple and relatively easy to deliver.

Now pharmaceutical research and development—the investment of 1 percent of the health industry dollar—joins scientists in industry to those in other research centers in an endeavor to move the treatment of disease entities from the expensive levels of non-technology and half-way technologies to the inexpensive and, one must emphasize, infinitely more humane level of high technology through the use of medicines that really work. In the entire realm of social programs, this is probably the most cost-effective expenditure that society can make.

VII. REGULATORY PROBLEMS

Given this overwhelming need, it would be nice to be able to report that the regulatory climate in the United States is receptive to its fulfillment. But it is clear, unfortunately, that *in toto* the American way of drug development lags that of much of the world. Just three examples to prove the point: We were the 41st nation to give official sanction to the use of lithium in the treatment of depression, the 65th to permit cromolyn for the prevention of asthmatic attacks, and we do not yet approve the use of any beta blocker for the treatment of hypertension.

What is going wrong? The problem cannot be fairly traced to bureaucratic incompetence in the Food and Drug Administration. The agency has its problems, but it has many outstanding people on its staff, could hardly have more dedicated or knowledgeable leadership than it has at the moment, and has made much progress in the last several years.

Nor is the problem that the investor-owned pharmaceutical industry is driven by a lust for profit to work in the wrong areas of medical science. In fact, most of the industry's commitment to research is targeted to precisely those diseases which in this country account for the highest incidence of morbidity and mortality.

Clearly those who blame bureaucrats or businessmen for slowing down drug development have in common the fact that they are massaging their prejudices and barking up the wrong tree.

Rather, the deficiencies in our regulatory mechanism appear to result from the evolving nature of medical science and the manner in which it relates to vital but often conflicting social objectives and the pressure groups which espouse them.

As you know, the basic U.S. regulatory law, enacted in 1962, provides, in substance, that all new drugs shall be safe and effective as determined by qualified experts on the basis of adequate and well-controlled clinical studies. While this sounds reasonable enough, it is right here that the trouble starts. The law says that a new drug must be "safe and effective." But medical science increasingly shows that there is no such thing as a safe and effective drug. There are only drugs that are relatively safe and relatively effective when used in certain ways in certain patients for certain indications.

The law's requirements concerning adequate and well-controlled clinical trials clearly reflected Congress's concern that this finding of safety and efficacy should be founded on a sound scientific basis rather

than on mere unstructured clinical experience. But, in carrying out this mandate, and in attempting to achieve the objective of approving a drug to be safe and effective, the regulators have often been subjected to a variety of political pressures from people very much outside the scientific community at large. Such pressures have led the regulators, on occasion, to impose requirements for clinical trials, some formal, some simply as a matter of informal policy, that most medical scientists would agree are unnecessary, inordinately time-consuming and wasteful of human and financial resources.

For example, the guidelines now require, in the usual case, three or more separate "adequate and well-controlled" clinical studies for each indication, however minor, for which a new drug will be used, even though effectiveness in such indications can readily be adduced with virtual certainty from effectiveness in other indications. Extensive human metabolic studies are now routinely required, but in many situations such data are of mere academic interest and are not indicative of safety and efficacy. There have even been reports from other companies of FDA requirements for data obtained by invasive techniques such as arterial puncture or cardiac catheterization which can be obtained by other valid measures.

Similar pressures have affected requirements for pre-clinical studies. Society is quite properly concerned with the safety of human subjects who participate in this work, and the law, therefore, requires considerable testing in animals before a compound is introduced into man. This is obviously essential. Indeed, no one would dispute the fact that in any conflict between the interests of science and human values, the latter must prevail. However, pre-clinical requirements in this country are becoming so onerous that they have caused certain needed research virtually to cease. A case in point is the area of oral contraceptives, where pre-clinical requirements now effectively preclude attempts to develop better drugs. Now it is true, of course, that if we have no new contraceptives, they will put no one at risk. But what about the risks being assumed by the millions of women who are currently taking existing oral contraceptive agents, all of which have potentially serious side effects, the extent of which is only gradually emerging?

The next point is that this requirement of the 1962 law applies only to so-called "new drugs." In practice, this has meant those medicines that were not "generally recognized to be safe and effective" at the time of the 1962 amendments. There is no comparable regulatory structure that protects the public in the case of drugs approved prior to 1962, although many of them were later reviewed for efficacy by independent scientists under FDA contracts. Yet, if you have been following the subject closely, you will have noted that the so-called adverse drug reactions which have received so much recent publicity as a result of Congressional hearings relate, in large part, to the side effects of very well-established drugs that have been used widely for many years.

Thus, we now have a two-tier regulatory system, an absurdity that is viable only because so few people understand it. For example, it can take 10 years and \$10 million to bring a new minor tranquilizer through the regulatory system which then imposes the most exacting controls concerning good manufacturing practices and the like. Yet, in some cases involving old drugs, you and I could quite legally buy bulk chemicals from a supplier, formulate a product in our basement—one, let's say, for the treatment of cardiac arrhythmias—do no testing to establish dissolution rates, let alone clinical work to establish the bioavailability of our product, merely register with the FDA as a "manufacturer," and sell to a pharmacy without

first submitting to an FDA inspection, and without telling the pharmacy that we have never had such an inspection.

I might add that many people are now arguing that a pharmacist should be allowed to substitute our hypothetical basement product (which he has no way of knowing is made in a basement) for the one prescribed by the physician without so much as telling the patient. The fact that this proposition (which is called repeal of the anti-substitution laws) is being sold quite successfully to a number of state legislatures in the interests of consumer protection—it was only narrowly defeated right here in New Jersey a couple of weeks ago—is an irony that might have delighted H. L. Mencken but would be no laughing matter to the patient involved if he understood what was going on.

Another weird result of the law is that it often holds the developer of a drug, i.e., the holder of the new drug application, to a much higher standard of regulatory compliance than those who introduce duplicate or "me too" compounds, many of whom, in practice, do so without even notifying the Food and Drug Administration. Thus, for example, the holder of the new drug application must receive FDA approval before the brings out a new formulation of the product, while the imitator often brings out such formulations without any prior approval at all.

VIII. TOWARDS A BETTER LEGISLATIVE AND REGULATORY STRUCTURE

I think I have said enough to demonstrate that a very substantial revision of our legal and regulatory system relating to drug development and distribution is now in order. This is not the time to propose changes in detail, but I would like to suggest some ten propositions which seem to be of relevance.

First of all, it should be recognized that all drugs, new or old, involve a balance of risks versus benefits. The judgments concerning this balance in specific instances are a matter for medical science and should be decided in the interests of the patient population by the very best medical scientists available—not by the courts, not by Congressmen, and not by consumer or commercial advocates. The Congress must recognize that its function is to create and oversee a legal and regulatory structure which ensures that scientific decisions are made by the most qualified scientists. It must also recognize that when it tries itself to make scientific decisions, it botches the job.

Second, it must be understood that even the best medical judgments are correct only at a given time and are subject to constant review as the state of the art advances. In view of the evolutionary nature of these judgments, we should replace the existing hearing procedures, which are primarily legal in nature, with flexible scientific review mechanisms in which all parties concerned, including the sponsor of the drug, would be permitted to adduce scientific data as they are developed.

Third, while the Food and Drug Administration, as the responsible Government agency, must continue to have the final say on these questions of medical judgment involving drugs, it should give great weight to scientific evidence and opinion from the medical community, including both academic medicine and practicing physicians. The best medical opinion, rather than mechanistic regulatory requirements, should become the determining factor in the decision-making process.

Fourth, the position of the Food and Drug Administration in the Federal hierarchy should be reexamined. It might be better for it to become part of a new Department of Health, headed by an officer of Cabinet rank, which would also include the National Institutes of Health; and to be separated out from the Education and Welfare responsibili-

ties of the existing Department of HEW. Compensation levels available to FDA scientists should be increased so that the agency can retain and attract the best caliber of people. At the same time, it should be given greater latitude to remove individuals who are performing unsatisfactorily.

Fifth, the two-tier system which divides so-called old drugs and so-called new drugs should be abandoned. No one would suggest that clinical studies be undertaken to prove the safety and efficacy of old drugs. But they should be subject to the same requirements of plant inspection, quality control and bio-availability data that are properly required of new drugs.

Sixth, the mission of the Food and Drug Administration must be redefined so that it has the clearly stated responsibility not only to protect the public against relatively unsafe and ineffective new drugs but also the responsibility to protect the public against relatively unsafe and ineffective old drugs by encouraging the development of better ones. In other words, legislative policy should instruct the agency not just to assess the risk inherent in approving a new drug but also to balance this risk against the risk of not approving it.

Seventh, legislative and regulatory policies should encourage the earliest introduction of an investigational compound into man which is consistent with the safety of the clinical subject. Marketing of a new drug should be permitted as soon as the FDA determines that its benefits appear to outweigh its risks for the categories of patients involved. On the other hand, the law should also require the marketer of a new drug to follow it much more closely once it has been introduced and to conduct much more stringent monitoring—including, in special cases, so-called phase IV studies—to measure its safety and effectiveness when it becomes generally available. Indeed, this is the stage when a new drug may present its greatest hazard. If removal from the market or special restrictions on use become desirable, the FDA should have the power to act decisively by going through the flexible scientific review mechanisms mentioned earlier rather than the cumbersome judicial procedures which are now required.

Eighth, the patent laws in this country relating to drugs should be revised so that the life of the patent starts at the time marketing of the new product is approved by the FDA rather than at the time the chemical compound is patented, since, under the existing law, most of the life of the patent can have been used up before the drug is brought to market.

Ninth, it should be recognized by the Congress that the investor-owned pharmaceutical companies represent a great national and international resource. They are not perfect and make their share of mistakes. But they are, in effect, self-financing organizations which have been extraordinarily successful in developing, manufacturing and distributing needed medicines around the world and have shown the capacity to maintain high levels of employment and a noninflationary price structure in turbulent economic times.

In carrying out these functions, they reinvest an exceptionally large proportion of what they report as "profits" but what are, in fact, their savings after paying operating costs. Indeed, they tend to pay a dividend yield of only 2 percent to 3 percent—Squibb is about average in this regard—a fact which has not escaped the attention of their shareholders. It should not now escape the attention of the public and the Congress that these companies are highly efficient and effective agents for the betterment of the human condition.

And tenth, it should also be recognized by the Congress that the drug distribution sys-

tem in this country, including retail and hospital pharmacies and pharmaceutical wholesalers, is likewise a public resource which must be nurtured. Changing times have placed unusual strains on pharmacy, a profession which, in recent years, has not been accorded the stature it deserves. In particular, the pressures of a highly competitive marketplace have resulted in some pricing practices by manufacturers that are inequitable to pharmacy. The issue of differential pricing cannot be solved by an individual manufacturer acting alone, because its competitive position would be destroyed by such action. Nor can it be solved by an agreement among manufacturers, which would incur the wrath of the Justice Department.

It can, however, be addressed by the Congress through the passage of appropriate legislation, which should now be sought jointly by both pharmacy and industry, and which, in my opinion, could resolve the problem in a manner consistent with the legitimate interests of the parties involved and of the public. Squibb, which has been a traditional friend of pharmacy, is trying to help in this endeavor.

Now I am not suggesting that all these things can be accomplished in this Congress, or even, perhaps, in the next one. Much basic thinking must be done before a consensus can be reached, legislation enacted and implementing regulations proposed. But the work should start now and in earnest. We are dealing with a highly complex matrix of difficult scientific issues and emotional social and commercial questions. But they have answers. I know that the pharmaceutical industry, through its trade association, as well as individual companies such as Squibb, are giving much thought to these subjects and stand ready to participate in the design of constructive solutions. I can think of no other areas where determined intellectual effort promptly, earnestly and consistently applied by knowledgeable people acting in their own enlightened self-interest and for the public good could yield greater dividends to society as a whole.

NATIONAL HOSPITAL WEEK:
MAY 11-17

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. FUQUA. Mr. Speaker, this week, May 11-17, is National Hospital Week, an event sponsored annually by the American Hospital Association to bring to the attention of all communities the services of the Nation's more than 7,000 hospitals and their 3 million plus employees. I have introduced House Joint Resolution 401 providing for designation of National Hospital Week, an especially notable time because it includes May 12, the birthday of Florence Nightingale who was a pioneer in nursing and hospital services.

This year the American Hospital Association has chosen the theme "A Constant Concern for a Healthy Community" for National Hospital Week. But the event marks far more than a theme or a commemoration. It is, in fact, a time to further acquaint the public with the hospital issues that seem to be most pressing—to be specific. For example, an

increase in needed ambulatory care, continued containment of costs, assurance of high quality care, and improved programs in patient education. Considering the growing concern of Members of the Congress for a national health program, such an educational effort takes on new significance in our national life.

Being acquainted with the vital work of hospitals in my own State of Florida, I feel that it is particularly important to call to public attention the need for citizens to be constructive in resolving community health problems, to look ahead and to help shape the inevitable changes that will make our system of medical services even better. By constructive, I mean active citizen involvement in solutions rather than the mere development of critical judgment, say of rising costs—unfortunately evident throughout our economy—or the difficulties in attaining universal access to hospital services.

Hospital service, in other words, is a community responsibility, and it improves directly in proportion to a community's concern for the role hospitals play in solving ever-present community health problems. Hospital service comes closest to its human goals when the hospital is seen as part of the continuum of community life and not as a detached organization to which we turn only in time of need.

The inescapable truth is that there are always emergencies in the community. At any given time some families and/or individuals are confronted with the pain, the problems, and the expense of illness or accident. There are no leaves of absence, no holidays from these human events, and there is no time of day or night when the community can, in effect, abandon its concern for hospital and medical service. Another way of stating this fact is that every community needs access to round-the-clock medical care of the highest quality. The national goal is that there be no exceptions.

Attaining that goal is difficult, but it is not impossible. A barrier at this time, especially, is that hospital services are expensive, in spite of national efforts here in the Congress and through such organizations as the American Hospital Association, State and allied hospital associations, and community hospitals to hold the line on costs. It is impossible, also, to avoid incurring new costs in a field where technological advances often come faster than they can be put to use in behalf of everyone. Nevertheless, we all want our community hospitals to have the latest equipment and techniques at hand—at reasonable cost and available to all persons regardless of ability to pay.

One week's attention seems altogether too short a time in which to focus on so vital an issue as comprehensive care. However, National Hospital Week affords communities throughout the country an opportunity to express appreciation for their hospitals and the services they provide. It focuses sharply on a growing national effort—development of ways in which all citizens, including health professionals and members of the Congress, may work toward improvement of our health care system.

CANAL ZONE BELONGS TO THE UNITED STATES

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. YOUNG of Florida. Mr. Speaker, on the first day of the 94th Congress, I introduced House Resolution 61, a "sense of the Congress" resolution pertaining to U.S. rights over the Panama Canal. House Resolution 61 resolves that the Government of the United States should maintain and protect its sovereign rights and jurisdiction over the Panama Canal and the Panama Canal Zone, and should in no way cede, dilute, or transfer any of these sovereign rights which are so indispensably necessary for the protection and security of the United States and the entire Western Hemisphere.

Most Americans are aware of the great strategic importance of the canal to our national defense, and of our historic investment of money, time, and energy into the Canal Zone. History is indisputably on our side with regard to sovereignty over the Panama Canal, despite the latter-day claims of radical Panamanian leaders. For my colleagues who are not aware of the details of our historical right to the Panama Canal, I am happy to include in the RECORD the text of a speech on this subject by Col. L. Sam Moore, U.S. Marine Corps, retired; this fine speech was graciously provided me by retired Navy Cmdr. Clarence Scott Taylor, of St. Petersburg, Fla., and I commend it to my colleagues:

TEXT OF SPEECH MADE BY COL. L. SAM MOORE

Two very vital issues are presently before us both affecting the jugular vein of the Americas; first, the threat to continued undiluted United States sovereignty and control of the Panama Canal Zone and the Panama Canal; and second, the completion of the Canal's suspended modernization. Before these subjects can be properly understood and evaluated it is essential to know certain elemental facts in Canal history.

First, in 1901 in a treaty with Great Britain, the United States made the long-term commitment to construct and operate an isthmian canal under the rules governing the operation of the Suez Canal.

Second, in 1902, Congress authorized the President to acquire, by treaty, the "perpetual control" of a Canal Zone, as well as the purchase of all property in it for the "perpetual" operation of the Canal.

Third, in 1903, after the secession of Panama from Colombia, the United States purchased from Panama a grant "in perpetuity" of sovereign rights, power and authority over the indispensable protective frame of the Canal known as the Canal Zone for \$10,000,000. This sum, though small on the basis of 1974 values, is greater than that paid for either Florida or Alaska. In the same treaty, our country assumed the annual obligation of the Panama Railroad for \$250,000, previously paid by that company to Colombia. This annuity justifiably adjusted in the 1936 treaty and gratuitously increased in the 1955 treaty, is not a "rental" for use of the Canal Zone as so often stated in the press, but only the augmented annuity of the Panama railroad, the entire stock of which was bought by the United States for the unrestricted use of that rail line for constructing the canal and its later maintenance and operation.

Fourth, after acquiring the Zone, the United States obtained title to all privately owned land and property in it from individual owners, making the Zone our most expensive territorial acquisition, estimated in 1973 to have cost \$161,938,571, which is more than the cost of all of our other acquisitions combined.

Fifth, the United States between 1904 and 1914 constructed the canal in a spot that was the pesthole of the world and a land of endemic revolution, transforming the Zone and surrounding areas into models of tropical health and sanitation that won world acclaim and has served as a force for political stability.

Sixth, the United States under the 1914 Treaty with Columbia, ratified in 1922, paid that country \$25,000,000 and gave valuable transit rights in the use of both the railroad and the canal to it. In return Columbia, the sovereign of the isthmus prior to November 3, 1903, recognized the title to both the canal and railroad as vested "entirely and absolutely" in the United States.

Seventh, the total investment of the taxpayers of our country in the canal enterprise, including its defense, from 1904 through 30 June 1971 was \$5,695,745,000.

Eighth, Article IV, Section 3, Clause 2, of the U.S. Constitution vests the power to dispose of territory and other property of the United States solely in the Congress, which includes the House of Representatives as well as the Senate.

From all of the above the evidence is conclusive that the United States is not a squatter resting on the banks of the Panama Canal but its lawful owner. In addition the validity of the United States title to it has been recognized by the Supreme Court, WILSON vs. SHAW in 1907, and no amount of demagoguery or sophistry can alter the essential facts.

As we foreseen in the early part of the 20th Century, by the able leaders who developed our historic isthmian canal policies, the Canal Zone and Panama Canal, in a realistic sense, form part of the coast line of the United States, and today it transits some 15,000 vessels annually. Thus its continued efficient operation and protection are just as vital to inter-oceanic commerce and hemispheric security as are the safe navigation and defense of the Cheapeake Bay or the Mississippi River.

Perceptive students of U.S. foreign policy in recent years have increasingly recognized that the U.S. Department of State has been infiltrated by elements hostile to continued United States sovereign control over the U.S. owned Canal Zone. Its record has been one of misrepresentation and falsification, its purpose has been not the protection of the United States interest at Panama, but the waging of campaigns of deceit against the people of our country, as so often illustrated by that agencies repeated efforts to dismember the Canal Zone by piecemeal erosions.

For example, in the case of the Panama Railroad the State Department planned to liquidate that important rail link and actually succeeded in giving away its freight yards and passenger stations in Panama City and Colon. The Congress stepped into the situation and after thorough study of the road's operations, saved the mainline. Now you have a railroad without its designed terminals, can you imagine anything more stupid?

It was therefore no surprise to a growing number of well informed members of the Congress, when on February 14, 1974, U.S. Secretary of State Henry A. Kissinger and Panamanian Foreign Minister Juan A. Tack, without advance authorization by the Congress, signed an eight point agreement on principles "to govern the negotiation of a new canal treaty". Stripped of its ambiguities, contradictions and fallacies, this

piece of diplomatic trickery is a blueprint for the abject surrender of the United States treaty-based sovereign rights, power and authority over our most strategic waterway that is certain to open up a Pandora's Box of difficulties. Related to these will be the treaty rights of Great Britain and Columbia as well as the interests of all maritime nations that use the Canal and have to pay tolls. Some of these countries are already delving into the situation and will undoubtedly take steps to protect their interests.

As to the appeal so often made to North American idealism and generosity in the form of "returning" the Canal Zone to Panama, what are the facts!! That country prior to November 3, 1903, was a part of Columbia, from which it seceded. It did this only after years of frustrated waiting for Columbia to arrange for the construction of the canal at the Panama site. When Panamanian leaders saw their long hoped for project endangered by the authorized construction of a canal in Nicaragua, Panama revolted and declared its independence from Columbia to obtain this vital waterway.

When construction by the United States was started in 1904 the jubilation of the Panamanian people was practically unanimous. As foreseen, extensive employment of Panamanians and other economic advantages quickly brought prosperity to Panama not equalled elsewhere in Central America. Panama's jurisdiction over what was to become the Canal Zone territory was brief, officially ceasing on ratification of the 1903 Treaty which was February 26, 1904. This means that Panama had jurisdiction over the Zone for only three months and twenty-three days, a very weak basis on which to justify giving Panama the zone territory.

The President of the United States, in a mistaken gesture of friendship and on the recommendation of the State Department, on September 14, 1960, after the adjournment of Congress and in disregard of a resolution adopted by House of Representatives by a vote of 382 to 12 in opposition to the display of the Panama flag in the Zone, directed that it be flown in one place in the Canal Zone as visual evidence of Panama's "titular sovereignty" over that territory. Instead of improving relations this action served to extend the breach in the dikes of our juridical structure on the isthmus caused by the 1936 and 1955 treaties, with the predicted result that Panama would interpret such a display as an admission by the United States of full Panamanian sovereignty.

Actually, no such phrase can be found in the treaty by which the United States acquired the Canal Zone. Neither the Secretary of State nor any other government functionary had the authority then or any time to imply any curtailment whatever of the total sovereignty as defined in the treaty.

Most certainly, the Congress will never appropriate huge funds for a canal project in an area the United States does not control and that during the last seventy years has had fifty-nine Presidents. The recent attitude of the State Department as regards the sovereignty issue can have no reasonable interpretation as an honest effort to ease tensions. Instead its officials know that Dictator TORRIJOS of Panama has publicly proclaimed his esteem for the Castro regime in Cuba, expressed his admiration for the Soviets, and has openly threatened violence against the Canal Zone and recently given asylum to the international terrorists who seized hostages in the Caribbean area. This is the strong man of the pro-red de-facto government of Panamanians to which the self proclaimed liberals in the State Department seek to deliver our Panama Canal.

As for the major modernization of the existing canal, this project was authorized in 1939 under existing treaty provisions, started in 1940 but suspended in 1942 because of

more urgent war needs after the expenditure of some \$76,000,000, mostly for huge lock excavations at Miraflores and Gatun that are useable. Under this sum are added \$95,000,000 spent on widening Gaillard Cut that was completed in 1970, the amounts already applied towards the major modernization of the canal totaled more than \$171,000,000.

During World War II there was developed in the Panama Canal organization, as a result of war experience, what is known as the Terminal Lake-Third Locks plan which won the approval of F.D. Roosevelt as a past war project.

Most significantly this plan does not require a new treaty with Panama which fact is a paramount consideration. Legislation is now pending in both the Senate and the House for this project, which has aroused strong support among important shipping interests, engineers, ecologists, navigators, and other experts, including Panama Canal pilots, who know more about the marine operations of the Canal than any other professional group in the world.

Moreover, the Terminal Lake-Third Lock solution has the great advantage of preserving the fresh water barrier of Gatun Lake between the oceans, thus preventing the infestation of the Atlantic Ocean with the poisonous Pacific sea snake and the voracious crown of thorns star fish. When the long overdue work on the major modification proposal is resumed its economic and other advantages to the isthmus and inter-oceanic commerce will be so obvious that current agitations in Panama over sovereignty should vanish like a tropical fog in the morning sun.

Historically, the Caribbean has long been a focal area of conflict because its location is strategic. Today, Soviet power has Cuba, Soviet submarines cruise regularly in nearby waters, and the main Soviet objective is directed to wresting control of the Panama Canal from the United States, making that vital waterway a pawn in international power politics. Thus, the real issue involved in the Panama Canal Zone sovereignty question is not the United States control vs. Panamanian; but continued undiluted U.S. sovereignty over the Zone vs. USSR control; and these are the issues that should be debated in the Congress and in the mass media.

The elements of the news media that most loudly advocates surrender of the Canal Zone to Panama are precisely those that urged United States support to Communist Mao Tse-Tung of China with the claim that he was only a mild agrarian reformer, and later urged installation of Fidel Castro in Cuba while ridiculing evidence that Castro was a Red revolutionary.

Thus to get on with our great responsibility and obligation to enlarge the Panama Canal and improve its operations we must be uncompromisingly emphatic in declaring that our answer to any proposed abrogation or curtailment of complete United States sovereignty over the Canal Zone is a resounding NO!! and we say it again NO!!

NATIONAL RADIO MONTH

HON. JOHN P. HAMMERSCHMIDT
OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HAMMERSCHMIDT. Mr. Speaker, the month of May affords us an appropriate opportunity to highlight the enormous and integral role played by radio in our everyday lives, for May is traditionally National Radio Month.

In the rapid pace of life, we unfortunately take many things for granted and too often tend to forget the influence on

and enrichment of our lives by many of our surroundings. The radio is as powerful and forceful an influence as any other form of communication. I am, therefore, privileged to focus attention on National Radio Month and on the outstanding men and women throughout the Nation whose efforts not only insure the dissemination of news and information, but who are concerned and involved citizens as well.

The local radio stations managers play a major role in the community. They operate small business and, as anyone who is an independent businessperson can tell you, they have their share of problems. The demands made upon them are extensive and they are continually called upon to meet the requirements of Government regulation. The station managers are alert to any potential threat to our freedom of speech and expression and they insure that those rights are safeguarded. This is not always an easy task.

Often, the managers wear many hats: News director, program director, sales manager, and announcer. But, moreover, they make invaluable contributions to public service and to the community. They must recognize the deep interrelation of countless major issues and events of the day and must understand their current and potential impact upon our lives. I believe they approach these responsibilities with objectivity and concern.

Every community has its share of emergencies or crises. Certainly, when tragedy or disaster befalls a community, the local radio personnel can point with enormous pride, as can the entire broadcasting industry, to their record of public service. They are right there—involved, concerned, and contribute to achieving order, assuaging the concerns and fears of the people.

In the Third District of Arkansas, we can boast of a group of outstanding radio stations. They enrich the quality of life for Arkansans, providing not only entertainment, but a meaningful link to the entire world and the entire spectrum of broadcasting—civil, cultural, national, and international. Radio enables us to view the world more realistically and objectively. Like a bridge, it enables us to expand our horizons. It can free us from ignorance and helps us better understand the world we live in.

Mr. Speaker, I know that our colleagues join me in commending the thousands of men and women across the Nation who are involved in and associated with the medium of radio. Their contributions are important and noteworthy enough to warrant an entire month of national observance—National Radio Month.

PLIGHT OF GOLDSTEIN BROTHERS IN U.S.S.R.

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. WAXMAN. Mr. Speaker, for the past few years a number of citizens in

my district have been deeply involved in the struggle of two Soviet citizens, Gregory and Isai Goldstein to obtain permission to emigrate to Israel. Focus on the plight of the Goldsteins resulted from personal contact with them by Mrs. Silvia Thaler of Los Angeles. In addition to maintaining continuing contact with the Goldsteins, Mrs. Thaler enlisted the assistance of the late Rabbi Dr. Max Nussbaum. Dr. Nussbaum, in turn, encouraged his congregation at Temple Israel of Hollywood to join with other interested groups in a concerted effort to help the Goldstein brothers in their fight for freedom. That fight has reached a critical stage.

Both of the Goldstein brothers are physicists who specialize in automation. They have long since despaired of observing their ethnic and religious convictions in the Soviet Union. They, therefore, applied for permission to emigrate to Israel in December of 1971. Since that time they have been subjected to all manner of harassment, intimidation, and persecution.

Gregory and Isai Goldstein of Tbilisi in the Republic of Georgia, U.S.S.R., are classic victims of the Soviet system. On one occasion, their homes were searched in pre-dawn hours for "slanderous materials." Among the items confiscated were a Hebrew language textbook, Israeli phonograph records, several copies of the U.N. Declaration of Human Rights, and three sacred scrolls—Mezuzos. After much harassment and repeated arrests, legal proceedings against the Goldsteins were dropped. It is their belief that they were spared prison or labor camp sentences only by the scope and intensity of interest in their case in Western countries.

The burdens and responsibilities of the Goldsteins increased greatly when, in December 1973, Isai's wife, Elizabeta Biccova, gave birth to their first child whom they named Abraham. In addition to caring for themselves, the Goldstein brothers must now concern themselves with supporting a young mother and infant. Of course, the desire to emigrate is greater than ever because of Isai and Elizabeta's hope of rearing their son in an environment where a fully Jewish life is possible. The most immediate difficulty, however, is that of providing for the minimum needs of the family, as they are not able to work.

For several years now, both Goldstein brothers have been denied the right to work. Though both have applied for emigration, both are "refuseniks" whose requests are invariably rejected. In perfect Orwellian logic, the Soviet authorities—who have denied employment to the Goldsteins—are now asking why the Goldsteins are not engaged in productive work.

As a result of their involuntary unemployment, as well as their statements of protest, possession of incriminating reading material and similar forbidden exercises of religion and expression, the Goldsteins now face charges for the grave crimes of "slandering Soviet reality" and "antistate activities."

Under the Article Code of the Soviet Union, Gregory and Isai Goldstein, upon conviction of the charges threatened

against them, would be subject to imprisonment and hard labor for a term up to 7 years long, and following imprisonment, a 5-year period of exile in a designated area outside the regions in which they have lived and worked.

Fortunately, in recent years, the workings of Soviet totalitarianism have not been altogether inexorable. As a result of the desire for technological and diplomatic advantages which might result from "détente," the Soviets have on numerous occasions responded to pressure from important sources in the West. Certainly they have been responsive, in some measure, to the concerns of the Members of Congress.

Mrs. Jack Thaler has been in direct and indirect communication with the Goldstein families since October 1973. On two occasions she visited with them in Tbilisi. Though their cases have certainly taken a turn for the worse, Mrs. Thaler believes the situation is by no means hopeless.

Perhaps of most immediate benefit would be letters from colleagues in Congress and concerned citizens urging the Soviet authorities to grant an emergency visa to the California lawyer who has volunteered to serve as legal counsel to the Goldsteins. Alan J. Gould, Esq., of Moraga, Calif., has received written authorization from the Goldstein brothers. They are anxious to receive his help.

Second, letters and telegrams directly to Chairman Leonid Brezhnev, the Kremlin, Moscow, U.S.S.R., will inform top Soviet leadership of the depth and extent of concern for the Goldsteins in the United States.

Finally, Mrs. Thaler and others in direct contact with the Goldstein family indicate that their spirits and resolution over these difficult years have been enormously strengthened by sympathetic communications from abroad. Though there have been times when they have been denied delivery of mail from abroad, generally speaking, mail from concerned people from around the world has been received. Cables and letters of support should be addressed to: Gregory Goldstein, Octiabaskaya Street, 2nd Micro-Region Building No. 2, Apt. 63, Tbilisi 8, Georgian S.S.R., U.S.S.R.; and Isai Goldstein, Octiabaskaya Street, 2d Micro-Region, Building No. 2, Apt. 124, Tbilisi 8, Georgian S.S.R., U.S.S.R.

Mr. Speaker, I should like to conclude by emphasizing that the struggle of the Goldstein brothers ought not be construed narrowly as a struggle of Soviet citizens who wish to emigrate to Israel or Jews who wish to practice their religion or perpetuate the culture of their ancestors and coreligionists. True, these are the specific issues at stake in the Goldstein case. However, the larger issues strike at the core of the value system of American democracy. The Goldsteins and those who support them are struggling for the fundamental principle of freedom of movement—both within countries and across national boundaries as well. They struggle, too, for the equally basic freedoms of thought, religion, artistic expression, and intellectual exploration. Surely, those who struggle for such ends have a right to ex-

pect the support of the American Government and the American people.

FAST ACTION ON CONRAIL NEEDED

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. SHUSTER. Mr. Speaker, the preliminary system plan developed by the U.S. Railway Association to revitalize the Northeast railroads is far from perfect. In fact, there are no pleasant alternatives to solving the railroad problem. This much is clear—if we do not move quickly to adopt some sensible plan, the problem will become even more severe than it is today. The USRA plan, with all its imperfections, is the most carefully thought out, viable alternative before us. Rather, it is the least undesirable approach. Today's Wall Street Journal carried a thoughtful article which I commend to my colleagues:

[From the Wall Street Journal, May 13, 1975]

FAST ACTION ON CONRAIL PLAN FOR NORTHEAST IS URGED BY PENN CENTRAL TRUSTEE, BANKER

WASHINGTON.—As the Penn Central picture becomes bleaker, pressure is growing to go through with the proposed creation of a government-backed railroad in the Northeast.

A Penn Central trustee and a New York banker testified before a House subcommittee in favor of moving rapidly toward setting up Consolidated Rail Corp., or Conrail, as the new Northeastern setup would be called.

Conrail would be fashioned out of Penn Central Transportation Co., the Penn Central Co. rail unit that is in Bankruptcy Act reorganization proceedings, and six other troubled Northeastern lines, under a plan proposed by the U.S. Railway Association, a government corporation created by a 1973 law.

The Ford administration has been having second thoughts about the plan.

Robert W. Blanchette, a trustee of the Penn Central road, told the House Transportation and Commerce subcommittee that Conrail must be formed as soon as possible to give "management stability" to the Northeast roads while the Penn Central's finances are in such bad shape.

John W. Ingraham, a vice president of First National City Bank of New York, said Conrail will give the government a better handle on controlling the Northeast roads' financial decline. He predicted that the seven lines will show a combined operating loss of \$455 million this year, against a total loss of \$238 million last year.

The testimony came as Ford administration policy-makers consider abandoning the USRA-proposed Conrail plan and instead choosing "controlled liquidation" of the Penn Central and other Northeast lines. Their operations would be sold to solvent lines, heading off long-term government involvement in Northeast rail affairs.

Mr. Blanchette said that although the Penn Central had twice sought unsuccessfully to liquidate its operations through sale to interested buyers, trying again only would delay the necessary Conrail take-over. He complained of losing management people because of the Penn Central's uncertain outlook, and urged the government to get on with the Conrail plan.

Mr. Blanchette said he doesn't expect the Penn Central to need any more short-term government financing beyond that already

authorized by Congress, barring natural disasters or a further worsening of the economy.

For his part, Mr. Ingraham said the Conrail take-over should come even sooner than the 1976 first quarter, as currently envisioned by USRA. He said financial "turn-around" problems would be made even greater and "substantially more expensive" by waiting until 1976.

He said the projected 1975 losses of \$455 million by the seven Northeast lines would include about \$392 million by the Penn Central, against \$198 million in 1974. He noted that the seven roads had an operating loss of \$155 million in 1975's first quarter, compared with the year-earlier \$82 million.

The six lines in reorganization that are part of the USRA-Conrail restructuring plan, along with the Penn Central, are the Reading, the Central of New Jersey, the Lehigh Valley, the Lehigh & Hudson River, the Ann Arbor Railroad and the Erie Lackawanna.

WHY THE SOUTH VIETNAMESE FEEL THEY HAVE BEEN BETRAYED

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. CRANE. Mr. Speaker, many South Vietnamese feel that they have been betrayed by the United States and many other American allies in Asia—Thailand, the Philippines, Malaysia, Singapore—agree that our role in Southeast Asia has been a less than honorable one.

Is the feeling that the United States betrayed an ally a justifiable one? The evidence, unfortunately, leads to the almost inescapable conclusion, that it is.

The Paris Peace Agreement, which was negotiated in secret and kept from our South Vietnamese ally almost until the moment when they were virtually compelled to sign it, permitted the Communists to keep all of their troops in the South while we removed all of our own forces. While this agreement was hailed as "peace with honor," and Secretary Kissinger received a Nobel Peace Prize for his efforts, it was clear that implicit in that agreement was a surrender of South Vietnam.

Discussing the American role in the Paris peace negotiations, P. J. Honey, the well-known authority on Vietnamese affairs at London University, noted that—

Dr. Kissinger's conduct of the whole negotiation appears quite extraordinary, for he made concessions to the Communists side without reciprocation, deliberately kept his South Vietnamese allies in ignorance of what he had conceded—though this was known to the enemy side—and finally forced an unwilling President Thieu to sign the agreement against his better judgment by a harsh ultimatum.

Professor Honey declares that—

Watergate and the refusal of the new Congress to grant funds resulted in South Vietnam's failure to receive what had been promised to her, and recent events have fully justified all President Thieu's fears. It is therefore scarcely surprising that Thieu, in his resignation speech, should have blamed America for the outcome, for he firmly believes that both he and his country were betrayed.

I wish to share with my colleagues the thoughtful analysis, "Why the South Vietnamese Feel They Have Been Betrayed," by P. J. Honey, as it appeared in the London Daily Telegraph, and insert it into the RECORD at this time:

[From the London Daily Telegraph, Apr. 30, 1975]

WHY THE SOUTH VIETNAMESE FEEL THEY HAVE BEEN BETRAYED
(By P. J. Honey)

Although Richard Nixon had publicly promised to end the war in Vietnam during his first term as President, by the spring of 1972, election year, the problem remained as intractable as ever.

True, Dr. Kissinger had begun secret talks in Paris with Le Duc Tho, but American concessions in May and October, 1971, had elicited no response from the Communists and the negotiations remained deadlocked.

Indeed, the North Vietnamese blitzkrieg invasion of the South, which began on March 30, 1972, showed that the Communists were more interested in a military than a political solution and President Nixon's planned visit to Russia was threatened with disruption.

To prevent that happening Dr. Kissinger went to Moscow where, on April 20, he told Mr. Brezhnev that America would accept a standstill ceasefire in South Vietnam.

This major concession would permit the North Vietnamese to control territory within South Vietnam as of right and to maintain their armed forces there, something South Vietnam had contested since 1954.

Delighted, Brezhnev told the Hanoi leaders that, as far as America was concerned, the war was virtually won.

BOMBING RESUMED

America felt obliged to take retaliatory action against the North and, on May 8, resumed bombing and dropped mines in North Vietnamese ports. To the relief of Washington, the Soviet reaction proved mild and Nixon's visit to Moscow took place as arranged at the end of May.

During the four lengthy discussions on Vietnam which took place in the course of that visit the American side told its Russian hosts that it was not irreversibly committed to rejection of the tripartite body proposed by North Vietnam.

This had been steadfastly resisted until then by both South Vietnam and the United States on the excellent grounds that the Communists would undoubtedly seek to turn it into a coalition government of South Vietnam. Since the Communists could not possibly win more than 10 per cent of the votes in any South Vietnamese election, this body represented their only hope of achieving power by political means.

While in Peking in mid-June, Dr. Kissinger complained to Chou En-lai that the North Vietnamese were being "greedy," and wanted everything at once. They should negotiate first for the departure of the Americans and, once that had taken place, matters could take their own course in Vietnam, he argued.

PROMISE TO THIEU

Dr. Kissinger flew directly from the Paris talks to Saigon on July 19, which prompted speculation that agreement was near and Thieu's approval of the terms was being sought. In fact, he promised the Vietnamese leader that, once the election was over, President Nixon would bring the full weight of America's military might to bear on the northern Communists.

Making no mention of what he had already conceded to the Communist side, Dr. Kissinger surprisingly urged Thieu to prepare for attacks against North Vietnam. Not until the middle of August, when the Paris talks were once more in session, was Gen. Haig sent to Saigon to tell President Thieu of the

concessions for the first time and to seek his acceptance of them.

Dumfounded, Thieu refused to have anything to do with them.

Reluctant to be thwarted in his quest for a settlement, Dr. Kissinger next instructed America's Ambassador Bunker, a distinguished diplomat who was respected and trusted by Thieu, to persuade the Vietnamese President to accept the tripartite body.

On learning that this had proved impossible, Kissinger sought and received President Nixon's authority unilaterally to commit America to accept that body. At his September meetings with Tho, the American negotiator agreed to include the tripartite body in the terms of the draft agreement, and on Sept. 26, Gen. Haig again went to Saigon in search of Thieu's acceptance. Once again he was unsuccessful.

Hopes of success rose markedly on October 9, when Tho produced a North Vietnamese working draft of the ceasefire agreement. Kissinger promptly put forward an American draft, and on Oct. 11 returned triumphantly to Washington bearing a 58-page ceasefire agreement. This was judged generally acceptable but needed some minor amendments which Kissinger believed he could quickly effect in Paris.

He therefore planned to fly to Paris and negotiate these amendments, then proceed to Saigon where, between Oct. 19 and 23, he would obtain President Thieu's assent, and finally fly to Hanoi on Oct. 24 for an initialing ceremony with Le Duc Tho.

The initialled agreement would be formally signed in Paris by all four parties on Oct. 31, a date to which the Communists attached much importance.

In the event, difficulties in Paris prevented the amendments being made, and President Thieu was adamant in refusing to accept the incomplete terms offered. He was shown only the English text, given a mere 72 hours to study it, and asked to trust Dr. Kissinger to negotiate suitable final amendments in Hanoi.

Kissinger's plan stalled, therefore, in Saigon and he abandoned the Hanoi trip to return home. The North Vietnamese, suspecting the whole negotiation had been no more than a Nixon electoral trick, believed they had been duped.

On Oct. 25 they broadcast the principal points of the draft agreement, thereby indicating the secret negotiation was over. The following day Dr. Kissinger made his now famous "peace is at hand" statement in a desperate attempt to persuade the North Vietnamese they were mistaken.

Secret meetings resumed in Paris late in November, but North Vietnamese behaviour suggested that they were no longer interested in negotiations. On Dec. 11 Tho handed Dr. Kissinger a quite unacceptable protocol before departing for Hanoi.

Talks finally broke down on Dec. 15 and, three days later, the concentrated bombing of Hanoi and Haiphong with "smart" bombs began. Within a few days of such destruction life in North Vietnam ground to a standstill and her leaders agreed to resume negotiations in Paris.

While these raids were taking place Gen. Haig travelled once more to Saigon, where he informed Thieu that very minor concessions by North Vietnam would now satisfy America. South Vietnam would sign the resulting ceasefire agreement, he said, or the United States would end her military and economic assistance.

ECONOMIC SUPPORT

If she did sign, however, then America would supply her with arms and ammunition on a one-for-one basis, would provide her with all necessary economic support and, if North Vietnamese invaded the South in breach of the agreement, would react vigorously in defence of South Vietnam.

Dr. Kissinger's conduct of the whole negotiation appears quite extraordinary, for he made concessions to the Communists side without reciprocation deliberately kept his South Vietnamese allies in ignorance of what he had conceded—though this was known to the enemy side—and finally forced an unwilling President Thieu to sign the agreements against his better "judgment by a harsh ultimatum.

Watergate and the refusal of the new Congress to grant funds resulted in South Vietnam's failure to receive what had been promised to her, and recent events have fully justified all President Thieu's fears.

It is therefore scarcely surprising that Thieu, in his resignation speech, should have blamed America for the outcome, for he firmly believes that both he and his country were betrayed.

PANAMA CANAL ZONE

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. DICKINSON. Mr. Speaker, I recently received a letter to all Members of Congress from an American couple who live and work in the Panama Canal Zone. In case any of my colleagues failed to receive or see a copy of the letter, I am having it reprinted here.

The letter points up one of the fallacies in the arguments of those who would like to turn the Panama Canal over to the left-wing elements currently in command of the Panamanian Government, specifically that the people of Panama want the United States out of the Canal Zone. I commend the letter to you and hope it will be given due consideration.

The letter follows:

BALBOA, CANAL ZONE,
March 26, 1975.

HON. SENATORS AND REPRESENTATIVES,
U.S. Capitol,
Washington, D.C.

DEAR SIR: My wife and I feel it our patriotic duty to our beloved nation to write this letter to you in hopes that the information here-in will urge and help you in saving our Panama Canal that is so vital to World-trade. We are close to retirement, and motivated solely by our concern for the security of the United States. I am a Lockmaster among those at the Pacific Locks who supervise the transiting of 50 ships a day. We now have over 40 regulars that are more than 940 feet long and 106 foot beam. We work steadily, 24 hours per day, in moving this world traffic. Whether the world sleeps or wakes, we move ships, ships, and more ships. And Sirs, we maintain and repair all machinery necessary for this operation. We do it quickly and with the expertise peculiar to Americans. On my experience here, I qualify this letter. I was hired by the United States Government from Campton, California, and shipped with my family and household goods to the Canal Zone on December 2, 1951.

In our time here, we have made many friends and associates among the Panamanian people in various parts and stations in life. We know from our associations with them that they did not want the present military dictator to take over their country, nor do they want him to take over the Canal Zone.

In their last free election there was an overwhelming vote cast for their president, who eleven days after being sworn into office

was thrown out by the military—the very ones he had pledged would no longer rule the country from behind the scenes! President Arnulfo Arias, was a very strong anti-communist. This was the third time he had been elected by an overwhelming popular vote and the third time he was thrown out by the military. If it were left to a free election in Panama, with freedom of speech, freedom of press, and free news media, he would be elected again. Only a few days after the military take-over of the Panamanian Government; we, the United States, extended our credit to the new military government and poured in money sufficient to keep them in office. These very troops were taught and trained in the Canal Zone on how to put down riots and wage wars. They acted against their own people; and in this case, the people's will.

Doesn't it seem contradictory that we have just concluded a military operation in Korea and Viet Nam to prevent a communist take-over of countries that had free elections, and then support a military dictatorship; one that is proving to be more communist month by month in the same manner as Castro?

The only election since the military came into power in Panama was under the complete discretion and control of the military. Only those selected by the military appeared on the ballot and there were no write-ins. Yet everyone was forced to vote. Doesn't this seem a lot like communist Russia, rather than a free country?

Panama's President and the treaty negotiators are appointed and approved of by the dictator, hence the Panamanian government is not one by the will of the people. There is no freedom of speech, press, radio, nor television; all of which we consider necessary to the protection of individual freedom.

How can the dictator and his appointees claim to represent the people, when none of them are directly elected by the people? Obviously they do not. The people of Panama are ruled by a military junta that knows no bounds in silencing any show of opposition. We, the United States Government, would certainly skate on thin ice when negotiating a treaty with these imposters.

Torrijos has shown his true color by taking over the Telephone, the Power and Light, the Gas Company, the Abattoir, the satellite-communications, and one of the largest privately owned enterprises in Panama, "The Chiriqui Land Company."

We, the people of the United States, are natural enemies of all governments that take away the individual's right to freedom of speech; a free press, radio, and television. With these media muzzled and only giving out that which is approved by the dictator, how can our State Department know what the people of Panama really want?

Mr. John Bracken, Chief of the Political Section of the United States Embassy in Panama, speaking to the United States Civic Councils in the Canal Zone in an executive session, said in defense of what seems to be giving sovereignty of the Canal Zone to Panama, "United States interest in the Canal could best be served by modernizing the United States presence in the area," and he further states that, "United States presence is dependent on the consent of the Panamanian people and the level of that consent has been steadily declining in recent years."

One might ask, how is it that the United States retains their military base at Guantanamo Bay, Cuba, if consent is the necessary key as says Mr. Bracken. Quoted from the Panama Canal Zone's news media, "The Panama Spillway" December 29, 1974, printed by the United States Government at taxpayers' expense.

One might wonder whose side our negotiators are really on when they try to brain-

wash the American people, and our Congress, by such statements leading to giving away our sovereignty over the Canal Zone.

This is further brought out by others in the State Department; a case in point: William D. Rogers, a United States Assistant Secretary of State of Inter-American Affairs, is quoted in the "Star and Herald," a Panama censored newspaper printed in English, Friday, February 28, 1975, testifying before a House of Representatives sub-committee: "There is no real alternative to negotiation and ratification of a new treaty. A breakdown in negotiations or a rejection of a negotiated treaty by the Senate, could lead to a confrontation with Panama and a real possibility that the Canal could be closed in the process."

We feel that this is the sort of political blackmail that an enemy nation would employ; not the servants of our own United States Government. Is this "Modernizing" our interests or is it a step backward into the dark ages? What threat does this place upon the Americans here who serve you?

For people without a voice, how can we hear or know whether or not the Panamanian people want us here, or that the "level of their consent" has been declining? The only truth to this statement is that the communist minority in Panama has been quick to spring upon this questionable information that is being put out by our State Department, and are trying to make it true; although in fact, it is false.

This is another case in which we are supplying our antagonist communist with the ammunition to use against us!

If our State Department is truly working for the best interests of the United States, yet insists on a Panama Canal give-away policy, there is little need for a communist take-over in Panama; for we have already given them what they want: control of this most important waterway.

Sirs: we realize that we live in troubled times and there are many demands put upon you, many requests by special and private interest groups in regard to all the domestic ills, energy-shortages, and foreign affairs. We also realize that it is difficult to correct an error after it has been made. Then, let us not be duped into making an error by threats of blackmail, or brainwashing; even if it comes from our own State Department. Let us not give away the Panama Canal to a country whose government does not exemplify the basic standards upon which we have fought wars to maintain. The propaganda being put out by the State Department to intimidate the Senate into approving a give-away treaty with Panama, and on their terms, is like playing poker and flashing your hand before you place your bets.

Now let us use our best judgement here for the United States and the world in general by not giving sovereignty of the Canal Zone to a military dictatorship. It may in turn be taken over by a stronger force—the same way this dictatorship took this government from the people. Next time it could be an out and out communist coup. There have already been two known attempts to take-over the dictatorship presently in power. Both from within his own army.

If the present dictator doesn't follow through with his plan of complete nationalization of industry and labor, a new take-over could happen, even while our State Department acquiesces to the sovereignty of the Canal Zone being transferred to Panama. Who might rule then? Whose Canal, sirs?

The Suez Canal is a glaring example of what may happen here if the Canal Zone were under the control of a country dominated by a capricious government. Perhaps, like Israel, the United States would not be able to transit.

Sincerely yours,

THE LOSS OF A PATRIOT AND FRIEND

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. ASHBROOK. Mr. Speaker, the loss of Thomas Lane is a loss for our country and for friends of freedom everywhere. My good friend General Lane was one to take his responsibilities and those of this Nation seriously.

He did not try to be popular but he did point out the truths that our country was founded on and the threats that those truths faced. Our Nation will miss his wise counsel. I know that I will.

At this point I include in the RECORD a tribute from Human Events of May 10, by Lee Edwards. The full text follows:

GEN. THOMAS A. LANE, 1906-75

(By Lee Edwards)

When Human Events columnist Thomas A. Lane died two weeks ago it came as a shock to most people. Some knew he had been in the hospital. Fewer knew he had cancer. For despite his illness, he continued his forthright column, his editing of the splendid journal *Strategic Review*, and even the writing of special articles until the very end.

Tom Lane was a soldier, a retired major general in the U.S. Army Engineers, who served his country across the world from the Panama Canal to the South Pacific during World War II under Gen. Douglas MacArthur.

He was a teacher who taught civil engineering and military history at West Point from which he graduated. He also taught at the Air University at Maxwell Air Force Base. He had a knack for putting things into historical perspective for his classes and his friends.

He was a devout Roman Catholic whose faith was central to his life. The funeral home was full the night they said the Rosary for him, and so was St. John's Church the next morning.

He was tall, erect, white-haired, and his speech still carried some of its original Boston accent. He was a man of convictions in an age of vacillations. As a soldier and an historian, he understood war as few of us do.

In an article for Human Events published two weeks before his death, he wrote about the war in Vietnam:

"The chief deterrent to war is the prospect that the aggressor will be defeated. Relieve the aggressor of that prospect and you encourage his aggression.

"This was the policy of the United States in Vietnam which cost the country \$120 billion, 360,000 casualties and 50,000 dead."

In column, article and book, Gen. Lane argued that the war in Vietnam would only stop when one side or the other won.

And South Vietnam, he said flatly, could not win as long as the U.S. prevented it from carrying the war to North Vietnam.

The consequences of our failure to help an ally were clear to him. In a review of Sir Robert Thompson's *Peace Is Not At Hand* in the spring issue of *Strategic Review*, Tom Lane wrote:

"There can be no hope of peace for a great power which would betray a small ally. Members of Congress should learn from this book that it is for the United States that the bells toll in Vietnam."

While he was deeply concerned about Vietnam, he was more concerned about general

U.S. foreign policy, which seemed to him to be based not so much on detente as on profits. He was repelled by those who used the facade of detente to pursue profits with the Soviet Union and Communist China.

In the April 24 issue of *The Wanderer*, published four days after his death, he concluded his column:

"The U.S. is today pursuing trade with our declared enemies without due regard for considerations of national security and U.S. survival.

"The drive for profits is dominating policy to the exclusion of a prudent address to the enemy. The people must demand new policy which places national security above all profit-making."

AFL-CIO head George Meany made the same point last fall in an appearance before the Senate Foreign Relations Committee, referring to "the myth that trade is the road to peace."

As a soldier who had known war, Tom Lane did not shrink from "thinking the unthinkable," and talking about it as well. After all, as he pointed out in 1968 in his book, *The War for the World*:

"War is very thinkable to conquerors. In fact, thinking about war is one of their chief preoccupations."

He urged the U.S. and the free world, first, to acknowledge that we are at war and, second, to carry the war to the enemy.

Not through the use of nuclear weapons, but for example by encouraging anti-Communist undergrounds in the Soviet Union and Communist China. He stressed that these undergrounds should be of, by and for the people of those countries—not American-dominated. Why not, he suggested, a government-in-exile for the Soviet Union? And why not, he would probably add today, Alexander Solzhenitzyn as its chief spokesman?

In his last book, *The Breakdown of the Old Politics*, published late last year, Tom Lane said flatly: "The United States has been the victim of party politics." He called for a new political order, responsive to the people and not to special interests and a centralizing government.

He wrote: "It may well be that escape from the political paralysis imposed by the two-party system is the most urgent need of our society."

When he retired from the Army 13 years ago, Thomas A. Lane did not fade away, but undertook a new career in writing and editing which has left us a rich and lasting legacy which he would want us, not to admit, but to use to bring about a freer America and world.

NOTICE OF HEARINGS ON EQUAL EMPLOYMENT OPPORTUNITY

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. HAWKINS. Mr. Speaker, I wish to announce that the Subcommittee on Equal Opportunities of the Committee on Education and Labor will conduct comprehensive hearings, beginning in early June, on Federal enforcement of equal employment opportunity laws. The subcommittee plans to commence these hearings with testimony from the Secretary of Labor, John T. Dunlop, followed by hearings on the Civil Service Commission and the Equal Employment Opportunity Commission. Dates for these

hearings will be announced as soon as they are confirmed.

The subcommittee's hearings will examine the enforcement of title VII of the Civil Rights Act of 1964, as amended, as well as Executive Orders 11246 and 11375.

Title VII of the Civil Rights Act prohibits discrimination on the basis of race, color, religion, sex or national origin in all employment practices, and covers private employers, employment agencies, unions, educational institutions, and State and local governments, and the competitive Federal civil service. Executive Order 11246, signed in 1965, prohibits discrimination in employment by Government contractors and subcontractors on the basis of race, color, religion or national origin. The order was amended in 1967 by Executive Order 11375 to include sex.

There has been a Federal policy against employment discrimination for better than a decade. Yet meaningful gains, both in terms of total numbers and in terms of representation at professional and policy-making levels in public and private employment, have been disappointingly modest.

The present recession has practically wiped out the gains of the past few years as minorities and women have borne a disproportionate burden of unemployment. At the same time, there is substantial evidence of widespread violation of laws and regulations at all levels of both private and public employment.

The Subcommittee on Equal Opportunities has had a continuing interest in the enforcement of our equal employment laws. Last fall, the subcommittee conducted hearings on the problem of the backlog of charges before the Equal Employment Opportunity Commission. In March, the subcommittee went to Los Angeles to look at contract compliance operations of the Defense Supply Agency in southern California. The Department of Labor had been scheduled to testify at these California hearings, but at the Department's request, this appearance was delayed to allow the new Secretary of Labor, John T. Dunlop, an opportunity to review Department policy.

Our activities to date have convinced us that we need to review the entire scope of Federal activity in this area. How effective have the executive orders and title VII been in eliminating employment discrimination? What kind of a job have the agencies charged with enforcement of these laws been doing? How much trained labor force is our Nation losing because of lack of enforcement of these laws?

President Ford has stated very clearly his position on equal employment opportunity. In a recent directive to Federal agencies, he stated:

Our Nation's strength is based upon the concept of equal opportunity for all our citizens. Decisions motivated by factors not related to the requirements of a job have no place in the employment system of any employer.

He further stated that nondiscrimination and the prohibition of discriminatory practices is not enough.

What is needed are strong affirmative actions to assure that all persons have an opportunity to compete on a fair and equal basis for employment and advancement.

I applaud the President's strong and forthright statement. But I am concerned that all too often these policies are not being implemented by the agencies with enforcement responsibility. The questions we must ask are, one, does the individual who has suffered discrimination or who may so suffer in the future, receive protection and relief from the Federal equal employment opportunity laws; two, are affirmative action policies and programs being implemented to bring about full utilization of women and minorities? Unfortunately, at present this is simply not the case.

THE PACIFIC NORTHWEST NATIONAL SCENIC TRAIL

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. PRITCHARD. Mr. Speaker, in recent months, Congress has been deeply involved in many critical issues—tax cuts, public service jobs, oil taxes, aid to Southeast Asia. While these subjects get the headlines—and demand most of our time and attention—Congress is also addressing a number of other issues which are important to the quality of life of our citizens. Among these are recreation—and conservation.

The Pacific Northwest is endowed with some of the most spectacular wilderness and hiking territory in the country. It is the perfect retreat for countless Americans seeking quiet escape from their hectic lives.

Many people would like to see a greater part of this magnificent area made more accessible to outdoors enthusiasts. This year I introduced a bill to establish a new national scenic trail called the Pacific Northwest Scenic Trail, extending from Olympic National Park in Washington to Glacier National Park, Mont. At this time I am pleased to resubmit this bill with several of my colleagues from Washington, Idaho, and Montana joining as cosponsors.

The number of backpackers has grown rapidly in the past decade. It is apparent that backpacking is no short-lived fad but a resurgence of both the traditional American love for the outdoors and of "lighting out for the frontier." It is one of the least expensive and most satisfying forms of recreation. Unfortunately, backpacking's new popularity has often led to overcrowding of campsites and trails. This is why action must be taken now to ease the strain on our overburdened National Trails System.

Several years ago, the National Trails System Act made two well-known north-south routes into the first national scenic trails—the Pacific Crest Trail and the Appalachian Trail.

The proposed Pacific Northwest Scenic Trail would follow an east-west route, stretching more than 1,000 miles from the Continental Divide to the Pacific

Ocean. This footpath links a tantalizing variety of mountains, rivers, lowlands, rain forests, alpine areas, and beaches.

Northwest history is waiting to be discovered by the hiker. The Indian past survives in mountains and villages throughout the region. The pioneer period, especially, confronts and fascinates backpackers—in the form of log cabins in old clearings and in the memories of oldtimers. Whidbey Island can even boast an authentic blockhouse. All across the Northwest there are interesting traces of early travelers and explorers—as well as forgotten trappers, homesteaders, riverboaters, miners, and foresters.

Since most of the proposed trail route crosses Federal lands, the eventual cost of the path to the Government would be minimal. And hopefully, Northwest outdoorsmen will contribute to planning the trail and then maintaining it like the thousands of volunteers who keep the Appalachian Trail in shape for their own use.

I am hopeful that hearings will be scheduled on this legislation during the current session of Congress and that a new national scenic trail in the Pacific Northwest may become a reality.

SAN PEDRO AND PENINSULA HOSPITAL CELEBRATES ITS 50TH ANNIVERSARY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. ANDERSON of California. Mr. Speaker, on June 14, 1975, the San Pedro and Peninsula Hospital will be celebrating its 50th anniversary of service to the San Pedro-Harbor area. Since June 14, 1925, this hospital's employees and physicians have been highly dedicated to the improvement of hospital service as well as local community life. As May 11 marks the beginning of National Hospital Week, I feel that at this time it would be most appropriate to express my gratitude in recognition of this hospital's past performance, as well as my confidence that its future performance will be just as noteworthy.

From its humble beginning 50 years ago, the San Pedro and Peninsula Hospital has certainly developed remarkably. Originally known as the San Pedro General Hospital, it opened with only 16 beds, none of which were private. In 1937 and 1943, new wings were added to increase the number of beds to 107.

In 1948 the hospital became a non-profit organization with the formation of the San Pedro Community Hospital Association. In the spirit of community service the newly formed board members served without compensation, a tradition that has continued until today.

In 1951 the hospital received full accreditation from the Joint Commission on Accreditation of Hospitals. Just 10 years later, a \$2.8 million, 5-story, 140-bed structure was dedicated for hospital service.

In 1970 the hospital changed its name

to the San Pedro and Peninsula Hospital to reflect the expanded area of service to the community.

And most recently, in 1971 to 1973, a new wing of 103 beds was added. In addition, all older buildings were demolished and a complete remodeling and rebuilding program was initiated, financed by both a community fund drive as well as loans from a private company.

The result: Parking facilities for 378 autos free of charge and 243 beds, half of which are single rooms. This in itself is indeed a remarkable accomplishment from such humble beginnings only 50 years ago.

Today's hospital is nonprofit, nongovernmental, nontax supported, with a single purpose: To serve the 203,600 people in the San Pedro and peninsula area. In fact, of the 207 hospitals in Los Angeles County, only 21 have more beds.

There are 20 departments, and 538 employees, both professional and nonprofessional.

The hospital's remarkable past performance can best be illustrated by an event of January 1975:

A very alert nurse noted, with the help of a fetal heart monitor, that the about-to-be-born Alisa Dixon had an irregular heart beat. She alerted an obstetrician, who in turn alerted an MD, who performed an emergency cesarean on Mrs. Dixon. Within 2 days a pacemaker was implanted in the newborn's chest to regulate the heartbeat.

The birth of the famous "Pacemaker Baby" in San Pedro and Peninsula Hospital made headlines locally and thereby served to give the hospital some of the recognition it so justly deserves.

The hospital staff is now meeting with community leaders to discuss future hospital plans. Just as their concern for a healthy community has determined their actions in the past, I am sure these discussions are being conducted with the same concern for the future.

San Pedro and the peninsula area can certainly be proud of their hospital and the way in which it has strived to become what it is today: A remarkable example of unselfish, efficient community service.

COMMUNIST BARBARISM: THE KHMER ROUGE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. McDONALD of Georgia. Mr. Speaker, I commend to the attention of my colleagues the following essay by William Safire which appeared in the New York Times, on Monday, May 12, 1975.

All Americans should take to heart Mr. Safire's observation that:

The difference between "freedom" and "slavery" is not a relic of cold-war rhetoric. Communists in every region are serious about remaking the world.

He correctly points out that the Communists realize that the Marxian "elim-

ination of classes requires that tens of thousands, perhaps many more, die by the wayside," and that the "mental set of the ideology sees the individual soul as a building block and not a citadel."

I especially call to your attention Mr. Safire's concluding paragraph in which he points out that the Communists understand one fact about our abandonment of Southeast Asia which a growing number of Americans do not:

If we are unwilling to help people fight for their freedom, if we pretend that the victories of Communism are local options of little concern to us, then the order to "get out of town" may be repeated. And someday it could cause quite a traffic jam in the Lincoln Tunnel.

Or on Peachtree Street, the Fourteenth Street Bridge, the Golden Gate, and so forth.

The full essay follows:

GET OUT OF TOWN

(By William Safire)

WASHINGTON.—What if every man, woman and child who lived on Manhattan Island were told: "Get out of town. Today, on pain of death. No excuses. Start walking and don't stop until you get to farmland upstate or in Pennsylvania. When you get there, if you do, you're on your own."

Manhattan mothers would give their babies to strangers who had some chance of escape or survival; Manhattan doctors, at gunpoint, would put down scalpels in mid-operation and begin the long march to nowhere, occupants of nursing homes would push wheelchairs in the direction of the Lincoln Tunnel; proud and law-abiding Manhattanites would learn to steal and beg to get the towers of the city far behind them.

That is roughly what is happening to the three million people of Phnom Penh, capital of the newly Communist Cambodia. In all human history nothing has taken place quite like the emptying of Phnom Penh.

Sennacherib destroyed Babylon, the Romans sacked Carthage, and Hitler's bombers leveled Guernica, but in every case the attacker was destroying a particular city, not the idea of a city itself.

The new rulers of Cambodia are doing something original. They have taken the "classless society" of Marx and put it together with the "natural selection" of Darwin. Cities breed civilization, they are saying; civilization differentiates between people, creating classes; therefore, we will drive the populace out of the corrupting cities, back to the purifying land, where only the fittest will survive.

This is social engineering on a scale that would make a Stalin blush; creating a society of equals by making everybody a refugee.

Since you can't make an omelette without breaking some eggs, the Cambodian leaders wish to conduct their experiment in private, which is why foreign newsmen have been deported. In the United States, that leaves us to a fruitless debate about how many thousand executions make a bloodbath.

Many commentators have long been saying that the Cambodians are a gentle people who would return to peaceful ways if only we were not there; and they have been deriding predictions of mass executions as merely scare tactics to justify our propping-up of corrupt dictatorships. These voices will now be saying that the reports we hear of killings are probably exaggerated: What kind of bloodbath is it, after all, that goes on unrecorded by videotape?

Contrariwise, a great many other Americans, myself included, will be tempted to ask: What happened to all that moral outrage about "stopping the killing"? And how come the Jane Fondas and Ramsey Clarks are not

focusing our attention on the shortcomings of those who brought this bloody kind of peace to Indochina.

Such justification of past positions may be satisfying—we all like to insist we were right all along—but there is a reality to the emptying of Phnom Penh that should cause us to agree on a fundamental: that the difference between "freedom" and "slavery" is not a relic of cold-war rhetoric. Communists in every region are serious about remaking the world, and we must stop pretending that the death sentence pronounced even temporarily on city life in Cambodia is some form of "agrarian reform."

To the Khmer Rouge, the elimination of classes requires that tens of thousands, perhaps many more, die by the wayside; there is no Cambodian aberration, but the path always taken by new Communist parties as they take power. As they become sophisticated, later generations act more subtly, in civilized trappings from great cities, but the mental set of the ideology sees the individual soul as a building block and not a citadel.

People try to fight Communism, or to run away from it, because they do not want to be absolutely controlled by the most modern tyrants. They fight or run not because democracy has won their "hearts and minds," but because they sense that only Communism is capable of driving a population of two million out of their homes and into the countryside so as to indoctrinate those hearts and minds.

How do some of us receive the people running from death? A trendy cartoonist here portrayed a shocked statue of liberty looking at a parade of slant-eyed pimps, prostitutes and politicians, which fairly well sums up the view of those—like Senator McGovern—who came to hate our Southeast Asian allies.

Most Americans will recoil from this prairie-populist cruelty, as the decapitation of a capital city sinks in. A city is civilization; civilization is adversity and creativity, which needs personal freedom; Communism is by its nature anti-city, anti-civilization, anti-freedom.

The Khmer Rouge understand this; too many Americans do not. If we are unwilling to help people fight for their freedom, if we pretend that the victories of Communism are local options of little concern to us, then the order to "get out of town" may be repeated. And someday it could cause quite a traffic jam in the Lincoln Tunnel.

WAGE AND HOUR LAW VIOLATIONS INCREASE

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1975

Mr. DENT. Mr. Speaker, in recent months there has been an alarming increase in the number of violations of the Fair Labor Standards Act, particularly by employers paying less than the statutory minimum wage and overtime rates. The workers being victimized are those who can least afford it—minimum wage earners who primarily are unorganized and unrepresented. Because of our grave unemployment situation, these workers hesitate to challenge their employers for fear of losing their jobs.

Rudolph Oswald, research director of the Service Employees International Union, blames our current recession for the rampant wage-cheating incidences,

and calls for stricter enforcement of the law by the Department of Labor. I am attaching, for the information of my colleagues, Mr. Oswald's analysis of the problem at a recent Labor News Conference interview.

It is my intention to convene my Subcommittee on Labor Standards in the near future to hold hearings on this matter.

The information follows:

[From the AFL-CIO News Release, May 7, 1975]

LABOR NEWS CONFERENCE

Violations of the federal Wage and Hour Law have mushroomed to a \$100 million a year pace as the recession has deepened, union economist Rudolph Oswald declared today in a network radio interview.

Most often, he stressed, the victims are the nation's lowest-paid workers—those who are hurt most when "unscrupulous employers . . . cut corners" on the minimum wage and overtime rates spelled out by law. He said that the "sharp jump" of violations in the past year "up more than 17 percent over a year ago," is largely due to a growing number of employers trying to hedge against the recession and business slump by short-changing their employees on wages due.

The way to end this "robbery from workers," which has persisted since the Fair Labor Standards Act became law in 1938, is full enforcement of the law and more than just slap-on-the-wrist fines and orders to simply pay the wages that should have been paid all along, Oswald said. Oswald, who is director of research for Service Employees International Union, AFL-CIO, was questioned by reporters on Labor News Conference, broadcast Tuesday at 9:05 p.m. (EDT), over the Mutual Broadcasting System.

The union economist said that while wage-cheating crops up in all types and sizes of industries and establishments, it is most common in unorganized job situations, where the workers have no union to represent them. He said that many non-union workers are afraid of being fired if they complain about not being paid the full wage due them, so they don't even report the shortages to the Labor Department. But, he emphasized, the law provides that the names of complainants be held in confidence, and workers who have been shortchanged should not hesitate to report those violations.

Oswald also scored the attempt by some agricultural interests to loosen the child labor law so that children under the age of 12 can be hired as farm workers. He warned that such relaxation could revive the "exploitation" of young children this country abolished generations ago. And, he added, the idea makes little sense when "there is so much unemployment that older workers can't even find jobs."

Oswald was questioned by Dale McFeatters of the Scripps-Howard Newspapers and Duane Emme of Press Associates, Incorporated.

INTERVIEW

Subject: Wage-Cheats and Recession

Guest: Jesse Calhoun, research director for the Service Employees International Union, AFL-CIO.

Reporters: Dale McFeatters of the Scripps-Howard Newspapers; Duane Emme of Press Associates, Incorporated.

Moderator: Frank Harden.

MUTUAL ANNOUNCER. The following time is presented as a public service by this station and the Mutual Broadcasting System.

HARDEN. Welcome to another edition of Labor News Conference, a public affairs program brought to you by the AFL-CIO. Labor News Conference brings together leading AFL-CIO representatives and ranking mem-

bers of the press. Today's guest is Rudolph Oswald, research director for the Service Employees International Union, AFL-CIO.

Federal law has set a floor under wages and a ceiling on hours for forty years. Yet year after year, some of the nation's lowest-paid workers are cheated out of millions of dollars due them, but not paid by their employers. A recent Labor Department report shows a significant increase of those violations during the last several months, as the grip of recession tightened. Here to question Mr. Oswald about Wage and Hour Law violations and what can and should be done to end them, are Dale McFeatters, labor correspondent for the Scripps-Howard Newspapers, and Duane Emme, assistant editor of Press Associates, Incorporated. Your moderator, Frank Harden.

And now, Mr. McFeatters, I believe you have the first question?

McFEATTERS. Mr. Oswald, what is the extent of these minimum wage violations, and, why the sharp jump?

OSWALD. Mr. McFeatters, currently, minimum wage violations are at a rate of more than \$100 million a year—up more than 17 percent over a year ago.

One reason for the increase is the current economic recession. Employers are just trying to cut corners by not paying workers the minimum wage that is due them—the current \$2.10 an hour, or the time-and-one-half over 40 hours a week.

McFEATTERS. Specifically what kind of violations are we seeing—are they overtime, wage or age and sex discriminations?

OSWALD. We are finding violations in all of those areas.

The large number of minimum wage violations has occurred partially as a result of the rising level of the minimum wage. It went up last January for most workers, to \$2.10; for some workers in some retail and service industries it's \$2.00; and the overtime rate, including the time-and-one-half over 40 hours, will change again on May 1, when some two million workers who currently have overtime—particularly in some of the food service operations, bowling alleys—after 48 hours, will have to be paid overtime after 46 hours in a week—in some cases, 44 hours.

The equal pay violations that you talked about, Mr. McFeatters, deal with the requirement that men and women be paid the same. There has been a big jump in these in the past year—almost 50 percent—in terms of the increase of violations that were discovered. As the Labor Department has been given more responsibility for finding some of these violations, in addition to the minimum wage and overtime, on equal pay violations and other things have been added—but they have not been given additional resources for investigation and enforcement.

EMME. Mr. Oswald, the same Labor Department figures indicated that a rather low percentage of the total amounts that have not paid—the total wages workers were illegally underpaid—are collected. I believe the last report says only about 50 percent. Why is that percentage so small?

OSWALD. Mr. Emme, the Labor Department and some of the individuals involved have not really pressed for their rights under the Act to collect the money that is due them.

The Act was amended in 1974 to provide that the Secretary of Labor could take cases in behalf of underpaid workers to collect not only the amount due that worker, but an equal amount in damages. That way, there would actually be a penalty on the employer for failing to pay the minimum wage.

But, many workers are afraid to prosecute—on their own, particularly. During a recession, such as we have now, they are just thankful that they have a job.

The purpose of the Fair Labor Standards Act is to protect wages and hours during a

recession—so that workers are not exploited—and that's really the whole story of the Fair Labor Standards Act—to prevent exploitation, particularly during a recession—when the pressures on workers are especially hard.

EMME. A question along that same line, Mr. Oswald—do workers get interest on this back pay that is due them? In these times of high inflation, if you go back far enough, the worker isn't getting the same amount of money—the full amount due. He is getting far less than he should be getting, isn't that right?

OSWALD. That is correct, Mr. Emme.

The worker, though, is entitled to interest on that money, as well as any underpayments during the last two years—and an amount of money equal to that underpayment. It is important that these sums be collected. Otherwise, not only the worker and his family suffer, but also, other employers who, during the same period, have been paying their workers the correct wage. Those employers are being undercut by the unscrupulous employer who so exploits people that he won't even pay the minimum wage, or will work people extra hours without paying them the overtime the law requires.

At a time like this, we are particularly anxious that people not work more than 40 hours a week, so that additional workers will be hired. Look at some of the situations in manufacturing. For example, in March, the average overtime in manufacturing was 2.2 hours per worker.

Now, if that were divided among all workers, that would mean additional hiring—close to a million more workers—just taking into account the overtime hours.

McFEATHERS. As a practical matter, Mr. Oswald, how does a worker who has been shortchanged out of his overtime or his rights under the Minimum Wage Law—how does such a worker get redress? I can't imagine a worker paid \$2.10 an hour going out and hiring a lawyer at \$25 an hour to win whatever his overtime is.

OSWALD. Well, Mr. McFeathers, he doesn't have to hire a lawyer—Congress wrote into the Act a requirement that the Secretary of Labor is to prosecute in behalf of such workers.

The Secretary of Labor, first of all, should try to collect through enforcement activities. Some 1,000 Wage and Hour inspectors are assigned. Sad to say, that number hasn't increased substantially over the last decade, despite the large increase of both of the total population, the working population—and the number of covered firms.

But, if the enforcement officer isn't able to collect, the Secretary of Labor is to go to court. The law says "may" go to court. The worker should insist that the Secretary take the case to court—and, in his behalf, collect the wages due and an equal amount in penalty payments.

McFEATHERS. Are there any particular groups of industries or kinds of employers where the frequency of minimum wage violations is exceptionally high?

OSWALD. One finds violations in all types of industries—large and small.

But, looking through the list of prosecutions that are taking place, one often finds the largest numbers in some of retail industries, some of the service industries. For example, in some of the recent reports, what we traditionally think of as low-wage industries show up frequently—the garment industry, laundries and the dry cleaning industry—also, some of the residential apartments, cleaning contractors, some advertising material producers, some guard services—that type of operation.

But, violations run across the board. You find some high-wage construction industries with violations of overtime, some dime stores, and other types of industries.

McFEATHERS. Mr. Oswald, are any particular types of workers being exploited under the Minimum Wage Law? I'm thinking of young workers or teenagers just entering the labor force—or illiterate workers?

OSWALD. Yes, Mr. McFeathers, we have large problems with certain people being exploited.

I think of some of the child labor violations, which continue to occur, with children six to 10 years of age employed in some establishments. As a matter of fact, Congress is currently being asked to pass a bill to allow children under the age of 12 to work in agriculture. Well, certainly, in a period like this, there is so much unemployment that older workers can't even find jobs. Yet there's pressure put on Congress, by some of the strawberry growers, some of the potato growers in Maine, and Idaho, and in the state of Washington. And, some fairly liberal Congressmen have become concerned—have introduced legislation to allow children under the age 12 to be hired on farms—to change the law that is intended to do away with child exploitation.

Others who are exploited are people who are refugees. I think this is a major problem in a period when we are concerned with the Vietnam War refugees. Also, many illegal aliens are employed today at rates below the minimum wage. It's unlawful for them to be here, and they are afraid to complain about being paid less than the legal minimum, or about being worked long hours without overtime pay.

All of these types of violations tend to undercut competing employers who do pay the legal minimum.

The law puts a floor under wages and a maximum on hours, and attempts to make sure that one person doesn't take the work of two people, but that additional work is provided—additional jobs.

EMME. Mr. Oswald, you have mentioned the types of workers who are being taken advantage of by unscrupulous employers. Now, do you have figures or anything to indicate that organized workers are better protected from violations than unorganized workers?

OSWALD. Yes, Mr. Emme, in most cases, organized workers have a union contract that goes substantially beyond the requirements of the Fair Labor Standards Act, in terms of both the daily overtime requirement, as well as weekly.

Union contracts have provisions for quickly handling violations. The worker can bring any violation to his steward, who would then file a grievance and have it quickly adjudicated under the union contract, through the grievance and arbitration procedure. This gives quick and easy action to make sure that organized workers have protection.

But the unorganized worker doesn't have a union steward to process his grievance; he is afraid; he doesn't have representation against the employer.

The unorganized worker does have a right to ask for a Labor Department investigation; his name is held confidential if he does make such complaint. Even so, there is often great fear on the part of the unorganized worker about lodging a complaint, even though there are these protections in the procedures that are followed.

EMME. All right, going beyond that—accepting that unionization—belonging to a union—gives a worker greater protection against being underpaid and being exploited by employers, what other solutions are there are there to his problems. Would you like to see larger fines, putting some of these employers in jail? Are any of them going to jail?

OSWALD. None of them are going to jail, Mr. Emme.

But, whether somebody robs a household—steals money by robbing a home when no one is present—or whether an employer robs

the worker's paychecks, it is robbery. And that is what is taking place today—robbery from workers—by employers who are in a position to steal out of the paycheck.

It's the same as if somebody broke into that worker's home and took money out of the bureau drawer or someplace else. But, we are letting many of these employers go with very small penalties—just making them pay back the money—without even civil fines.

There can be civil fines, and there can be, in addition, to jail terms.

But, we have not imposed these types of penalties on employers. They would be a real deterrent to this type of violation.

EMME. Should the existing penalties be strengthened then?

OSWALD. I think that not only should the present penalties be strengthened, but we should view this sort of crime in the same way we view robbery from a household.

In some sense, the courts have viewed it as a sort of white collar crime, if we can call it that—stealing out of the paycheck—they have viewed white collar crimes not as horrendous as breaking into a house and stealing out of a bureau drawer.

Yet, in a sense, it may be even worse, because these victims are afraid to fight—to complain—out of fear of losing their job.

McFEATHERS. Mr. Oswald, do you think that the Labor Department has been dilatory in enforcing the Minimum Wage Law?

OSWALD. Mr. McFeathers, they have not had an increase of the number of investigators, but they have had additional laws which they must enforce, and additional workers are covered under the Fair Labor Standards Act.

They've spent part of their resources doing work on equal pay violations, on garnishment laws and age discrimination law. All of these have been given to the Wage and Hour Division for enforcement. This type of approach detracts from the enforcement of the minimum wage and overtime requirements, and the child labor provisions, which were part of the basic Fair Labor Standards Act. That Act really needs to be enforced today.

McFEATHERS. Now, here we see what seems to be a clear-cut problem. There's a sharp increase of minimum wage violations. To remedy this, we have only an under-manned section of the Labor Department. Is Congress doing anything about this or considering anything about it?

OSWALD. The AFL-CIO has urged the Appropriations Committee to increase the number of investigators for the Wage and Hour Division.

Congress should be putting some of the unemployed to work enforcing the laws that are on the books.

We have so many people unemployed, yet, we have these large numbers of violations.

We really need to make sure that people abide by the law. One of the other things that I'd like to point out is that we're asking them to enforce a law that is already well out of date.

Because of the recent inflation, the present minimum wage clearly needs to be increased, from the \$2.30 that becomes operative in January of 1976, to \$3 an hour, considering the poverty line that exists and the inflation that has taken place since Congress last considered this Act.

And the overtime requirements should be changed—the penalty—currently time-and-one-half—should be raised to double-time. Then it would mean that employers would hire additional people during this recession, rather than just work people additional hours and pay them time-and-one-half.

The aim of the overtime requirement is to encourage employers to hire additional people and not pay the penalty—to put people to work by posing a sufficient deterrent, so that the employer will hire additional people.

EMME. Are you hopeful of getting changes in the Minimum Wage Law in this Congress?

OSWALD. We've urged Congress to raise the minimum wage to \$3 an hour, Mr. Emme, and to provide double-time for overtime.

We also want Congress to look into the question of shortening the 40-hour workweek to a 35-hour standard. That is long overdue.

HARDEN. Thank you, gentlemen. Today's

Labor News Conference guest was Rudolph Oswald, research director for the Service Employees International Union, AFL-CIO. Representing the press were Duane Emme of Press Associates, Incorporated, and Dale McFeatters of the Scripps-Howard Newspapers. This is Frank Harden, inviting you to listen again next week. Labor News Con-

ference is a public affairs production of the AFL-CIO, produced in cooperation with the Mutual Broadcasting System.

MUTUAL ANNOUNCER. The preceding program time was presented as a public service by this station and the Mutual Broadcasting System. The opinions expressed are solely those of the participants.

SENATE—Wednesday, May 14, 1975

(Legislative day of Monday, April 21, 1975)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our Father, in the quiet of this moment, once more we would make our souls a sanctuary for Thy spirit. In the midst of pressing duties and complex issues, be to us the unseen source of wisdom, of beauty, goodness, and truth. Light up every hour of this day by Thy presence. And when we are hesitant and unsure, may we take counsel of Thy presence. Open our minds to Thy spirit until we hear Thee say, "This is the way; walk ye in it." With purity of heart and singleness of purpose may we first love and serve Thee, and then may we become instruments for the coming of Thy kingdom among men.

Through Jesus Christ our Lord. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Tuesday, May 13, 1975, be approved.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR TALMADGE

Mr. MANSFIELD. Mr. President, due to a lapse on the part of the leadership, I ask unanimous consent that after the joint leaders have been recognized—and this is not to be considered a precedent—the distinguished Senator from Georgia (Mr. TALMADGE) be recognized for not to exceed 15 minutes. The reason is that he made the request yesterday, but I forgot to ask for it.

The PRESIDENT pro tempore. Without objection, it is so ordered.

PYRAMID SALES ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate pro-

ceed to the consideration of Calendar No. 108.

The PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows: A bill (S. 1509) to prohibit pyramid sales transactions, and for other purposes.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1509

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Pyramid Sales Act".

SEC. 2. As used in this Act, the term—

(1) "compensation" includes payments based on sales, when such sales are made to persons who are also participants in a pyramid sales scheme or who are purchasing the right to become such participants, but the term does not include payments based on sales at retail to ultimate consumers;

(2) "goods" includes any personal property (tangible or intangible), real property, or any combination thereof;

(3) "other property" includes a franchise, license, distributorship, or any similar right, privilege, or interest;

(4) "pyramid sales scheme" means a plan or operation (whether or not it involves the sale or distribution of goods, services, or other property) which includes a provision, means, or method for increasing the participation in such plan or operation and with respect to which a participant pays a valuable consideration for the right, privilege, license, chance, or opportunity (A) to receive compensation for introducing any other person into participation in such plan or operation (and where each such other person is eligible to receive the same or similar right, privilege, license, chance, or opportunity as such participant); or (B) to receive compensation when a person introduced by the participant introduces any other person into participation in such plan or operation (and where each such other person is eligible to receive the same or similar right, privilege, license, chance, or opportunity as such participant). The fact that the number of persons who may participate may be limited, or that conditions may be imposed with respect to eligibility shall not be construed to change the identity of any plan or operation that is a pyramid sales scheme. Nothing contained herein shall be construed to restrict personnel recruitment activities undertaken by persons, corporations, partnerships, or other business entities, so long as such recruitment activities do not entail the payment of valuable consideration for the right, privilege, chance, or opportunity to receive compensation as described herein;

(5) "sale or distribution" includes the acts of selling, leasing, renting, or consigning; and

(6) "valuable consideration" includes monetary payments to participate in a pyramid sales scheme but does not include pay-

ments made for sales demonstration equipment and materials furnished on a not-for-profit basis for use in making sales and not for resale, or payments which do not exceed \$100 when paid on an annual basis, or time or effort spent in pursuit of sales or recruiting activities.

SEC. 3. Chapter 63 of title 18, United States Code, is amended by inserting therein, and amending the syllabus accordingly, the following new section:

"§ 1344. Pyramid sales scheme

"Whoever, in connection with the sale or distribution of goods, services, or other property by the use of any means or instrumentality of transportation or communication in interstate or foreign commerce or by use of the mails, knowingly sells or offers or attempts to sell a participation or the right to participate in a pyramid sales scheme (as defined in the Pyramid Sales Act) shall be fined not more than \$10,000 or imprisoned for not more than one year, or both."

SEC. 4. (a) Any contract which provides for participation or the right to participate in a pyramid sales scheme and any other contract made in furtherance of a pyramid sales scheme is void. Any person, corporation, corporate officer, or corporate agent who knowingly induces or causes to induce another person to participate in a pyramid sales scheme shall be jointly and severally liable to such other person in an amount equal to three times the amount of consideration paid together with the costs of any legal action required and a reasonable attorney's fee, as determined by the court involved. The district courts of the United States shall have jurisdiction of any action brought under this section without regard to citizenship of the parties or diversity of citizenship. An action under this section may be brought within three years from the last date on which such consideration was paid.

(b) If two or more persons induce another person to participate in a pyramid sales scheme and thereby incur a liability under this section, the amount which such other person may recover from any or all such persons is limited to the amount referred to in subsection (a) of this section.

SEC. 5. The Attorney General of the United States, or the chief law enforcement officer or the attorney general of any State in which a prohibited act or practice occurred, may upon a finding that any person is engaged or is about to engage in any act or practice which constitutes a pyramid sales scheme, bring an action in the appropriate district court of the United States to enjoin such act or practice. Such courts shall have jurisdiction over such actions and shall provide appropriate relief. Such court may grant a temporary restraining order, or a preliminary or permanent injunction without bond.

SEC. 6. This Act does not annul, alter, or affect the scope or applicability of the laws of any State relating to pyramid sales schemes except to the extent that such laws permit acts or practices which are unlawful under this Act.