

and other related expenses. The data shows that these families represented only 3.5 percent of the total reported family contributions to student assistance during 1973-74.

In a study of midwestern colleges, one researcher found that 80 percent of minority students needed financial support; and that over three times as many minority freshmen, as compared to other freshmen, needed full financial assistance.

A recent sampling of Los Angeles city high school graduates revealed that only 60 percent of low-income area students who were eligible to enroll at the University of California or similar institutions were able to do so; 27 percent went to work. By contrast, 80 percent of eligible students from high-income areas entered four year colleges; only 9 percent went to work.

It is very likely that this negative economic pattern will continue, especially during periods of high unemployment which have a disproportionate effect on minority families.

As devastating as this situation may be, President Ford proposes to add insult to injury by cutting student assistance in the health professions by 50 percent. The President's budget would—

Abolish supplemental opportunity grants and direct loans for students;

Reduce work-study funds by 50 percent while raising the institutional matching share from 20 to 50 percent; and

Cut back on special programs for the disadvantaged and eliminate university community services.

In addition, the President's budget seeks a 37 percent reduction in health services to our

communities. In line for cuts are programs for maternal and child health, emergency medical services and community health centers.

The executive budget calls for a 36 percent slash for community mental health and alcoholism services, and completely eliminates health grants to the state.

If implemented, these proposals will cause a drastic retreat in student assistance and health services for the disadvantaged. They spell disaster for those students and families already crippled by lack of economic and health resources. As long as health and other living expenses skyrocket, and student financial assistance dwindles, the level of minority enrollment and graduation, particularly in the health professions, will decline.

RECOMMENDATIONS

This is, indeed, a pessimistic reflection on the current state of affirmative action and equal opportunity in this country. It is for this reason that our colleges and universities must be firmly committed to actively involve minorities and women at all institutional levels, including the positions of leadership and decision-making.

I recommend that educational and health institutions be willing to—

Conduct a self-analysis of the minority and female composition of the student body, faculty, and administration, to identify areas of deficiency and their causes;

Evaluate admission standards and employment prerequisites such as degree attainment, publication achievements and tenure;

Develop goals and timetables for overcoming under-representation;

Develop a plan of affirmative action in the area of educational services, financial assistance, and research and training opportunities;

Provide for the involvement of minorities and women in the development and assessment of all affirmative goals and studies;

In the case of publicly supported systems of higher education, develop a statewide plan of educational opportunity for all students;

Develop year-long cooperative educational programs with local school districts to encourage and train minorities and females to enter the health and scientific fields;

Develop close working arrangements with community organizations in fostering recruitment and outreach programs for disadvantaged students; and

Require an annual self-evaluation to determine areas of success and failure in meeting affirmative action and equal opportunity objectives.

It is clear that these recommendations, if fully realized, would cause changes in institutional leadership and decision-making. This is, to a great extent, the reason for current reluctance and resistance to affirmative action. And yet the pursuit of excellence requires us to bring new perspectives and ideas into our institutions of higher education. The pursuit of excellence demands that we actively recruit and seek out new talent and creative minds from the untapped and disadvantaged communities of this nation. This is the significance and necessity of affirmative action.

HOUSE OF REPRESENTATIVES—Thursday, January 13, 1977

The House met at 11 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

God is spirit, and they that worship Him must worship Him in spirit and in truth.—John 4: 24.

"God of the strong, God of the weak,
Lord of all lands and our own land,
Light of all souls: from Thee we seek
Light from Thy light, strength from
Thy hand."

Renew in us the spirit that makes us fit to live with ourselves, ready to live with those we love, and willing to live graciously with those about us.

Make us equal to our tasks, just in our exercise of power, generous in our ministry to the needy, and good in our relationship with all people.

Guide the Members of this House of Representatives with Thy wisdom this day and all days; through Jesus Christ our Lord. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Marks, one of his secretaries.

STATEHOOD FOR EXXON

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

Mr. WEAVER. Mr. Speaker, some have suggested rather than Puerto Rico, that Exxon be granted statehood. If it were a State at least the American people would have something to say about the election of its officers and its policies that so deeply affect the lives of all of us. As I oppose nationalization, this idea may have some merit.

Then there are those who feel it and other giant corporations should have full sovereignty. They resemble foreign nations in almost all things except full control of a specific landmass.

If Exxon were a foreign nation we could at least have treaties of alliance with it, and so protect it from other foreign nations, such as Saudi Arabia, which is now invading its corporate boundaries by ordering it to set prices to other foreign countries, including the United States. We cannot allow Exxon to be pushed around. Are we faced with another Munich?

CUT REDTAPE AND PAPERWORK

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

Mr. STEED. Mr. Speaker, as I mentioned in my first in a series of short speeches, on reducing Federal paperwork, I shall be discussing specific paperwork problems and how the Commission on

Federal Paperwork is working to solve them.

However, I should first like to discuss how the Congress can and must cooperate if we are to significantly reduce the paperwork burdens now being borne by the American people.

Congress, over the years, has become increasingly aware of the need for paperwork reductions on a significant scale. This awareness for reform has increased as the blizzard of Government forms and reports has intensified.

In 1934, Congress created the National Archives. However, its job was mainly concerned with storage and disposal of paperwork. In 1942 Congress passed the Federal Reports Act. This was an attempt to coordinate Federal statistical reporting and programs. The Bureau of the Budget was given clearance authority over Government reports. In 1950 Congress passed the Federal Records Act, which created the National Archives and Records Service—a service which became the initiator of improvements in records management.

On the face of it, this seems to be an adequate effort to manage and control paperwork proliferation. However, the Records Act did not control proliferation. From 1950 to 1968 the amount of paperwork grew from 3 to 4.5 million cubic feet a year. By 1972, files contained nearly 7 million cubic feet of new records. The Second Hoover Commission tried in 1952 to identify and make recommendations to solve paperwork problems. Since that time, Federal paperwork has more than doubled. In 1973 Congress brought the General Accounting Office into the paperwork management act. Unfortu-

nately, the problem continues to get worse instead of better.

In 1974 Congress established the Commission on Federal Paperwork, a special body whose mandate was to identify and rectify specific paperwork proliferation problems, plus design improved paperwork management systems. However, in order to achieve any lasting reduction in the rate of paperwork growth, the Congress must become not only an active partner in legislating reforms in the executive, but must also become an active partner in reducing paperwork created by the Congress itself.

Pension reform legislation—ERISA—is a good example of how Congress, guided by the highest motives, has created a paperwork jungle which has actually stifled the growth of new pension programs, and been the direct cause of the death of many others.

The Commission on Federal Paperwork has studied this program and made significant paperwork reduction recommendations. I shall treat of that effort in separate remarks. However, I do want to use that program to make my point—and that point is the Congress is at the source of a great deal of the needless paperwork proliferation we are fighting today.

The Congress, throughout the entire legislative process, from introduction of a bill, through hearings, through markup, through debate and through conference, must continually be aware of what magnitude of paperwork might be created by proposals and amendments under consideration.

A number of colleagues and myself are preparing legislation which will require that a paperwork impact statement accompany each proposal and amendment as they go into report format. It is my understanding that a companion bill will also be introduced. At the appropriate time, I shall alert the membership for purposes of cosponsorship.

I do not submit to my colleagues that inclusion of an impact statement will solve all our problems. I realize there will be some initial problems in determining what the costs and burdens of certain programs and paperwork requirements will be. However, we must make a start—a start in reducing paperwork proliferation stemming from congressional inadvertence—a start in increasing our "paperwork awareness" both as an institution and as individual lawmakers.

Congress, as a significant part of the paperwork proliferation problem, must increasingly become a great part of the solution.

DEFENSE PRODUCTION ACT AMENDMENT

(Mr. MOORHEAD of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I am today introducing legislation to amend the Defense Production Act of 1950 to include synthetic

fuels which may be used as fuels under title III of that act. This bill also does something very important in addition. It gives all U.S. industries, large or small, the confidence—security if you will—they need to invest the vast amounts of money required to produce and develop synthetic fuels.

Each year across this country, the shortage of natural gas worsens. In 1974, our shortfall in supply was 14 percent. In 1975, it rose to 18 percent. This year it was predicted to rise to 22 percent. In the past, we have been able to shield ourselves from the impact of this annual shortfall because we have had the good fortune of mild winter seasons. It now appears that if our shield has not been penetrated, it is being sorely tested. News accounts in recent days warn of potential severe curtailment of gas for several Midwestern State areas, and the forecast of more frigid weather the remaining winter months is undiminished and unlike oil, we cannot erase the shortfall by increasing our imports.

Mr. Speaker, we need, and need desperately, a good synthetic fuels program. We need some kind of synthetic fuels made from nonpetroleum feedstocks. We have the technology and know-how to produce such fuel. We should be well on the way toward establishment of such a capability, and yet, we are not moving in that direction.

Why is this so? Simply stated, what is lacking is some assurance the synthetic fuels industry would not go under if import prices were to drop. Time and again, companies with strong interest in this energy field have indicated their willingness to take reasonable risks, but so much investment is required their entire future might be jeopardized if the Nation does not stand behind them.

Mr. Speaker, this amendment to the Defense Production Act would establish a type of insurance program for synthetic fuels. It would be called into force only if prices were to drop below current import quotations. It would, nevertheless, assure the producer, and the users, of a dependable, uninterruptible source of energy.

Mr. Speaker, let us consider what events might have been had we the capacity to turn to a synfuels plant production system today. Such a system could effectively service a large portion of our industrial natural gas users. I am talking about companies producing steel, chemicals, glass, and the like. Many of them are labor-intensive. They face the prospect of curtailment of supply on an almost day-to-day basis. The prospect of interruption makes it difficult to plan for increasing plant capacity. A synthetic fuels system could eliminate that frustration and replace it with confident expectations of energy supply. But beyond meeting industrial user needs, this same synthetic fuels system would permit natural gas to be diverted for increased use in the home; homes, incidentally, not scheduled to be built this year, or next year, unless adequate new supplies of natural gas are developed.

Mr. Speaker, I am hopeful the legislation I have introduced today will increase the awareness of the Members of Congress concerning our national need

for adequate and sustaining sources of synthetic fuels. A severe natural gas shortage will continue to plague our industries and threaten our commerce until effective substitute fuels are developed.

Mr. Speaker, these are problems we can overcome, but to do so, we must be persistent in our efforts. Unless we are, we will only continue to further spill our demand for energy into an already overtaxed petroleum market. Until we do, we will continue to rely more and more upon imports.

The text of the bill follows:

H.R. 1880

A bill to amend the Defense Production Act of 1950 to include synthetic fuels which may be used as fuels under title III.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title III of the Defense Production Act of 1950 (50 U.S.C. App. 2060 et seq.) is amended by adding at the end thereof the following new section:

"Sec. 305. (a) To assist in carrying out the objectives of this Act, the President, upon the recommendation of the Secretary of Commerce, may make provision (1) for purchases of or commitments to purchase synthetic fuels which may be used as fuels for Government use or resale; and (2) for the encouragement of development and production of such fuels. For purposes of this section synthetic fuels shall mean fuel produced by the conversion of renewable and nonrenewable resources, including, but not limited to, products produced from coal gasification, coal liquefaction, shale, lignite and other mineral gasification, liquefaction or other conversion, and the conversion of any organic material into fuel.

"(b) Purchases and commitments to purchase and sales under subsection (a) may be made without regard to the limitations of existing law, for such quantities, and on such terms and conditions, including advance payments, and for such periods, but not extending beyond June 30, 1990, as the President deems necessary, except that purchases or commitments to purchase involving higher than established ceiling prices (or if there be no established ceiling prices, currently prevailing market prices) or anticipated loss on resale shall not be made unless it is determined that supply of the products could not be effectively increased at lower prices or on terms more favorable to the Government, or that such purchases are necessary to assure the availability to the United States of overseas supplies.

"(c) If the President finds—

"(1) that under generally fair and equitable ceiling prices for any raw or nonprocessed material, there will result a decrease in supplies from high-cost sources of such product, and that the continuation of such supplies is necessary to carry out the objectives of the Act; or

"(2) that an increase in cost of transportation is temporary in character and threatens to impair maximum production or supply in any area at stable prices of any products;

he may make provision for subsidy payments on any such domestically produced product in such amounts and in such manner (including purchases of such material and its resale at a loss without regard to the limitations of existing law), and on such terms and conditions, as he determines to be necessary to insure that supplies from such high-cost sources are continued, or that maximum production or supply in such area at stable prices of such products is maintained as the case may be.

"(d) The procurement power granted to

the President by this section shall include the power to transport and store and have processed and refined any products procured under this section.

"(e) When in his judgment it will aid the national defense, the President is authorized to install additional equipment, facilities, processes, or improvements to plants, factories, and other industrial facilities owned by the United States Government, and to install Government-owned equipment in plants, factories, and other industrial facilities owned by private persons.

"(f) (1) Notwithstanding any other provision of law to the contrary, products acquired pursuant to the provisions of this section which, in the judgment of the President, are excess to the needs of programs under this Act, shall be transferred to the national stockpile established pursuant to the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98-98h), when the President deems such action to be in the public interest.

"(2) Transfers made pursuant to this subsection shall be made without charge against or reimbursement from funds available under the Strategic and Critical Materials Stock Piling Act, except that costs incident to such transfer other than acquisition costs shall be paid or reimbursed from such funds, and the acquisition costs of such metals, minerals, and materials transferred shall be deemed to be net losses incurred by the transferring agency and the notes payable issued to the Secretary of the Treasury representing the amounts thereof shall be canceled. Upon the cancellation of any such notes the aggregate amount of borrowing which may be outstanding at any one time under section 304(b) of this Act, as amended, shall be reduced in an amount equal to the amount of any notes so canceled.

"(g) Except with the approval of the Congress, the total obligation of all agencies under contracts, discounts, advances, or commitments in connection therewith, entered into under this section shall not exceed \$2,000,000,000."

Sec. 2. (a) Section 304(a) of the Defense Production Act of 1950 is amended by striking out "and 303" and inserting in lieu thereof "303, and 305".

(b) Section 304(c) of the Defense Production Act of 1950 is amended by striking out "and 303" and inserting in lieu thereof "303, and 305".

SPEECH ON HUMAN RIGHTS BY JIMMY CARTER, UNIVERSITY OF NOTRE DAME, OCTOBER 10, 1976

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BRADEMAS, Mr. Speaker, one of the most significant speeches delivered during the 1976 campaign for the Presidency of the United States was that of Gov. Jimmy Carter on October 10, 1976, at the Center for Civil Rights and the Law School of the University of Notre Dame.

On this occasion, for which I was privileged to be present as it was in the congressional district I have the honor to represent, Governor Carter spoke eloquently of the need to consider human rights not only in our own country but in the conduct of our foreign policy.

Of course, Mr. Speaker, what Governor Carter had to say during the campaign takes on greater importance as he is next week to become the 39th President of the United States.

Because Governor Carter did not speak from a prepared text, I ask unanimous consent to insert in the Record the

transcript of his remarks of October 10, 1976, and I also include the introduction of Jimmy Carter by the distinguished president of the University of Notre Dame, the Reverend Theodore M. Hesburgh, C.S.C.

The text to which I refer follows:

SPEECH ON HUMAN RIGHTS BY JIMMY CARTER, WITH INTRODUCTION BY REV. THEODORE M. HESBURGH, C.S.C., OCTOBER 10, 1976

(Sponsored by the Center for Civil Rights and the Law School of the University of Notre Dame, Center for Continuing Education University of Notre Dame, Notre Dame, Ind.)

INTRODUCTION OF JIMMY CARTER

(By Rev. Theodore M. Hesburgh, C.S.C.)

Ladies and gentlemen, I would first of all like to welcome Governor Carter to this University. As all of you know, each time that we have a presidential election, I invite the two presidential and vice-presidential candidates to come to the University, hopefully to tell us something of where they stand on some moral issue of their choice. We had Senator Mondale earlier who spoke about the plight of human rights in international affairs, and today we are happy to have Governor Carter. I'm sure he will say something—this being Sunday morning—of his own moral concern, and I welcome him to do that on your behalf and on mine, too.

I've already told Governor Carter this, that once the emotion of the campaign is over, I'm going to ask Dean David T. Link of the Law School to plan a national conference on abortion, bringing in people who want to discuss that subject fully and completely. I think that in the kind of rational and civil atmosphere that the University represents, we can bring some wisdom to bear upon this problem and improve it from what it is today to what it might be in America.

Both candidates say that this campaign offers a choice on real issues as never before in this century. However, most campaign rhetoric tends to be negative and does not always get to the heart of the problem. No one likes to look at the heart of darkness. The real solutions are painful and even speaking about them is not the best way to make friends and win votes. But the issues do remain.

I think today, ladies and gentlemen, the domestic problems of four years ago are still with us. There are some more international problems with us as well. All of these domestic problems in a very real sense are interlocking, part of the total organic structure and reality of what we call the quality of American life, or the lack of it. To the extent that they are unresolved and continue to exacerbate millions of Americans daily and mar their lives, America lives in contradiction of its highest expressed ideals of liberty and justice for all. I think today, four years later, these problems are not just still with us, many of them are much worse.

I am happy today that one of the candidates for President of the United States, perhaps the most awesome and powerful office in all the world, wants to speak to us about his concern in this particular area. I can promise you, Governor, that here you will have an audience who will listen and listen very hard. We are delighted to have you with us.

HUMAN RIGHTS

(By Jimmy Carter)

First of all, I want to say how proud I am to be at Notre Dame, particularly because of what this University has always been, what it's meant to the consciousness of our country—its constant probing for a better means to tap the innate goodness of America, especially as it has been personified in the last 25 years by the great leadership of Father Ted Hesburgh. He is a man who has been an inspiration to many of us. Those of

us who lived in the South during the early part of the civil rights struggle that is still going on have a great admiration for him. I know about his concern for the less fortunate, the weaker, for those who are the underdogs, and I hope he will carry this same concern into the Notre Dame-Georgia Tech football game that is going to take place next week.

Our country has come a long way in the last 200 years. We are still a young country, and a lot of us look back on the history of our nation with a great deal of appreciation for the wisdom and the deep commitment of our founding fathers. We tend to think that George Washington, Thomas Jefferson, Benjamin Franklin, and John Adams were all perfect. The concept we have of our country is one that is without blemish, with a deep commitment and, perhaps for the first time, a real concern about human rights, liberty, and freedom on the one hand and equality of opportunity on the other.

Liberty and equality

Down through the ages, though, those two have quite often been incompatible. When you had complete liberty, the strong overpowered the weak. When you guaranteed equality, the government had to take away the freedom that accrues in a competitive society. We laid the groundwork, but our country was not perfect. It was founded on the concept of slavery for black people, and it was 100 years before we cast off that milestone around our neck. Women didn't have the right to vote, young people didn't have the right to vote, and the people didn't have a chance to choose their own United States Senators directly.

But down through the years we have tried to change to make this a better society for our sons. We have had times of success and times of failure, times of legitimate pride and times of legitimate embarrassment and shame. In the last few years we have suffered as a country, and I think all of us realize that the question of supporting human rights throughout the world is a very difficult one. It requires a balancing of tough realism on the one hand and idealism on the other, of our understanding of the world as it is and the world as it ought to be.

The question, I think, is whether in recent years we haven't been too pragmatic, too cynical, and as a consequence have ignored those moral values that have always distinguished the United States of America from other countries. Over the years our greatest source of strength has come from our basic, priceless values which are embodied in our Declaration of Independence, the Constitution of the United States, our Bill of Rights, and which involve freedom of religion, freedom of speech, freedom of expression, movement, and an unchanging commitment to basic human dignity.

Living up to our ideals

Recently, however, we have not lived up to our ideals. I know of no great nation in history that has more often conducted itself in a moral, unselfish, generous manner abroad, and provided more freedom and opportunity to its own citizens at home. Still, in recent years, we have had reason to be troubled. We stumbled into the quagmires of Vietnam, Cambodia, Chile, and Cyprus, and we responded inadequately to the human suffering that we recognized in places like Bangladesh, areas of Northern Africa, and in other underdeveloped, struggling, and sometimes starving nations. We have allowed virtually unlimited sales of American weapons overseas. As I said in the debate the other night, we have become the arms merchant of the world.

This is a policy that is both cynical and dangerous. We have in effect condoned the efforts of some Arab countries to circumvent the commitment of our Bill of Rights and boycott American businesses who trade with

Israel or who have Jewish owners or managers within the businesses themselves. This is an unprecedented thing that we have accepted. We have failed to oppose the denial of human freedom in Eastern Europe and in the Soviet Union. Now I don't say that these things are simple issues, but there are practical and effective ways in which our own power can be used to alleviate human suffering around the world. We should begin by letting it be known that if any nation, whatever its political system, deprives its people of basic human rights, that fact will help to shape our own people's attitudes toward that country. If other nations want our friendship and support, they must understand that we want to see basic human rights respected.

We must, at the same time, be realistic. As John Kennedy said, and I quote, "We must keep the world safe for diversity." We should not insist on identical governments in all nations of the world who accept our standards exactly, but we cannot look away when a government tortures its own people or jails them for their beliefs, or denies minorities fair treatment or the right to immigrate or the right to worship.

Father Hesburgh served, as you know, on the Commission on Civil Rights at the time when the South was struggling to grant equality of opportunity, the right to vote, the right to hold a job, and the right to buy homes, to black people.

As I said recently in Salt Lake City and as I have said many times in Alabama, Mississippi, Louisiana, the Carolinas, Tennessee, Florida, and Georgia, the best things that ever happened to the South in my lifetime were the passage of the Civil Rights Acts and the guarantee to black people of the chance for equality. We still have a long way to go in our own country, but we are making progress, and now I think it's time for us to reassert those basic commitments at home and also to let them be an undeviating guiding light for us abroad.

The world looks for leadership

The world looks for leadership, and when there is a vacuum of leadership it's going to be filled somehow. I'm a nuclear engineer, a physicist, and also a politician, and the vacuum is going to be filled. It's going to be filled either with freedom or slavery, with hope or with despair, with democracy and liberty or with dictatorships. I would like to see the world's vacuum filled without domination but with inspiration by my own country. We must reassess our own foreign aid program to make sure that when money does leave our nation it goes to those who need it most. As Richard Gardner, one of the great analysts of the United Nations, said, "I'm not in favor of taxing the poor people in a rich country and continuing to send the money to the rich people in the poor country." But there are many needs that can be met with sound management and with an undeviating commitment to alleviating suffering. Not only food, but the quality of our environment and the health of people around the world can be aided to a substantial degree by leadership and direct aid from our own country. We now spend three tenths of one percent of our gross national product on foreign aid. Other countries spend much more—5 or 7 tenths of one percent. The Soviet Union spends only 1 tenth of one percent. So all the nations in the multinational commitment, if provided proper leadership, could be successful in alleviating a great deal of the suffering and deprivation that exists. We ought to speak out forcefully whenever there is human torture in the world. And I believe that this would restore not only the faith of our own people in our own government but also help to alleviate that torture, even in the most totalitarian nations of all.

We should insist on majority rule

We should insist on the concept of majority rule. In Africa we have come in late. For a long time we were committed under National

Security Memorandum No. 39 to supporting minority white governments. Only during this election year has our nation moved in any degree toward supporting the long-standing effort to guarantee majority rule in Africa, and there are many other places of deprivation in the world which haven't yet experienced the concept of majority rule.

Cyprus is another situation that we need to address in a humanitarian way and with a well-balanced commitment to the preservation of peace, which would help stamp out religious persecution. While many people understand this, there are still Jews who want to leave the Soviet Union, and there are 5 million Baptists in the Soviet Union who have felt oppression because of their religious commitments.

We ought to stand staunchly against the deliberate violation of law. In the last few years we have seen the disgraceful spectacle of our own government condoning—sometimes even encouraging—multinational corporations engaging in bribery of foreign officials. This is a disgrace to our country that should not be permitted to continue.

The United Nations passed a Genocide Convention 25 years ago; we still have not ratified that convention. It also passed a basic convention on the protection of human rights—civil rights; we still have not ratified that convention. And we ought to move the best we can to stamp out international terrorism as well. There are many things that we can do, and I suggest that this Center here, as it shifts its goals from strictly domestic civil rights—which are still very important—to a broader concept of all human rights—and I hope this will be done expeditiously and I will help you if I am elected President—can be a beacon to our own country and to the world for a constant assessment of what can be done in a world that we acknowledge to be imperfect.

A new era of voluntarism

There is one other area that I would like to mention this morning. We can tap the great resources of our country in the defense of human rights, yes. But that's only one aspect of an area where voluntarism can come in. I would just like to take a few minutes to talk to you about that subject. It's a subject I think that has always been of particular interest to young people whose idealism has not been dampened by long years of frustration. If I am elected President, I hope to bring a new spirit of optimism, patriotism, and self-sacrifice to America. That happened in 1933 when Franklin Roosevelt became President, and it happened again in 1961 under John Kennedy. I believe it can happen again under a Carter administration, if we can succeed in restoring public trust in our own government.

I hope that one manifestation of this renewed national spirit would be a new era of voluntarism with Americans working to help others on an unprecedented scale. We saw an example of this when John Kennedy began the Peace Corps. We all remember the excitement of that era. My mother, at the age of 68, joined the Peace Corps and went to India to serve for two years, coming back after she was 70 years old. I know what it meant to our community and our family and to her life just to feel that she was doing something worthwhile, even at that advanced age. I would like to see that concept revitalized along whatever grounds are most pertinent and appropriate in today's international realities.

But even more importantly, I would like to see an outpouring of volunteer effort within our own country. We all know that there are needs, very deep needs. I worshipped this morning at the Retardation Center at the edge of your campus.

I noted that many students from Notre Dame participate in that volunteer effort to take care of retarded children who are severely afflicted. And there is an outpouring that

needs to be made too in schools, particularly our poor schools, in hospitals of all kinds, in day care centers, in mental institutions and prisons and law enforcement agencies, in parole and probation efforts, on Indian reservations, in local, state, and federal government agencies, and in many other places.

The potential volunteers are there

The potential volunteers are there, too. People of all ages. Students, housewives, business people, retired people, and many others. What has been lacking in the past is motivation. It is not enough for a President to call for voluntarism, he must create a climate in which our people want to help others and are proud to help their country in the process. We don't need a new federal bureaucracy to do this. We must use the structure of existing agencies and we will also stress the support of existing private, volunteer programs. What is needed is Presidential leadership that will encourage and honor volunteer service. I think that retired people and young people in particular are a vast untapped resource. We now spend countless hours in idleness and on personal diversion of many kinds. I would like to see us divert some of our time and some of our energy to helping others. I believe that Americans will do this gladly if volunteer work is given proper respect and proper recognition.

There is much that needs to be done in our society. More than government itself can ever hope to accomplish. But there is little that cannot be done if the American people roll up their sleeves and set out to do these things. If I become President, I will make every effort to channel the idealism, the compassion, and the energies of our people into good works of which we can all be proud.

Father Hesburgh: America, once again a beacon light of hope for all humankind

We Americans pride ourselves on self-reliance. We pride ourselves on the adherence to unchanging principles. We pride ourselves on the ability to achieve unity within a concept of diversity. America is not a melting pot. We don't come here and lose our identity as we live among one another. It's more like a beautiful mosaic where every person is an individual and where we can harness the common efforts of those who have the inspiration and through this mechanism make our lives more meaningful. We must tap this tremendous strength in the two areas that I have covered briefly with you today: First, we must renew our commitment to civil rights-human rights domestic and around the world, so that our country may once again, as Father Hesburgh said at lunchtime, be a beacon light of hope for all human kind. And, secondly, we must tap the tremendous resources of the 250 million Americans who don't serve in government, who may not even get paid but who will make our own lives more meaningful in the service of others. That's a tremendous resource of strength waiting to be used.

Again, I want to thank you for letting me come to Notre Dame. This campaign has been a very good educational process for me. It has been going on now for 21 months and I've received an excellent education. I've made mistakes and I've learned how to correct them. But the constant inspiration to me has been the quiet strength of the American people who don't want anything selfish out of government, but just want to be treated fairly, who want to be legitimately proud once again of the greatest nation on earth, and who want to be part of the process of making the world a better place in which to live, particularly for those who have been deprived, who have been cheated, who have been forgotten, and who have been deeply hurt. A sense of brotherhood, a sense of sisterhood is there in the hearts and minds of the American people. I want to make sure that our government itself and

our nation as a whole tap that sense that exists in the minds and hearts of so many American people. Thank you very much.

RULES GOVERNING GALLERY SEATING SHOULD BE FOLLOWED

(Mr. O'BRIEN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and to include extraneous matter.)

Mr. O'BRIEN. Mr. Speaker, on the heels of a fading administration's "Vale's" and on the threshold new administration's "Ave's" I would like to direct the attention of the Members to some of the procedures which surrounded last night's rather touching, emotional event, the farewell state of the Union speech by the President.

Another Member and I with our wives and other members of our families came to the floor, well aware that the rules would permit only one ticket per Member, entitling each of us to one seat for a gust in the gallery overlooking the ceremony. The House was packed with non-Members, most of whom I had never seen before. I yielded my seat to a member of the diplomatic corps because I felt obliged to do so since they were guests of the House Members, and were also being crowded out.

Before the new President comes in, I suggest that the one who was responsible for that alien fire drill be dressed down, that the usual rules be followed, or that exceptions thereto be carefully reviewed and made known to all Members, not to just a few, before put into effect.

COMPREHENSIVE HEALTH CARE INSURANCE ACT

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

Mr. CARTER. Mr. Speaker, I am introducing today the Comprehensive Health Care Insurance Act—a proposal to extend health care insurance to all Americans.

As a member of the House Subcommittee on Health and Environment for 12 years, I have devoted much of my legislative effort to issues concerning our country's health care system. And as a physician, I have made a personal commitment to do what I can to help improve the health care of our people.

While we can be proud of the outstanding technological advances and high quality of American medicine, we also know that not every American now has access to that system of care. Moreover, the onset of major illness or accident can bring the threat of financial disaster to virtually any family. These are very real concerns which merit our careful consideration.

As a cosponsor of the Comprehensive Health Care Insurance Act of 1977, I believe this measure offers a workable approach to addressing these problems. In large measure, this proposal retains the expertise and experience of our existing private health care sector in both the administration and financing of the program. It is these proven skills and re-

sources of the private sector which I believe we should build upon in developing a national health insurance program, and which should be supplemented only when necessary by Government.

This proposal embodies certain fundamental principles which I believe should govern our approach in the development of national health financing legislation. These principles, which I have supported in the past and will continue to promote in the future include:

First, the belief that every American should have an opportunity to obtain health care regardless of ability to pay;

Second, the belief that any reform of our present health system should be built on the strength and diversity of our existing pluralistic system;

Third, provision for comprehensive and uniform benefits;

Fourth, provision for a preventive approach to health care; and

Fifth, provisions or incentives to control costs and encourage more efficient use of our health resources.

I believe these principles are essential to the development and effective operation of a national health insurance plan, and I hope we will give them careful consideration when we examine various NHI proposals.

The Comprehensive Health Care Insurance Act would provide coverage to the great bulk of the American population through employer-employee financial arrangements by which not less than 65 percent of the premium would be paid by the employer. For any employers experiencing substantial increases in payroll cost as a result of offering qualified health care insurance to their employees, provision is made in the bill for a 5-year subsidy to these groups.

For those who are self-employed or unemployed, health insurance would be provided through an income tax credit or Federal certificate-of-entitlement system. Thus, this plan would correct one of the major weaknesses of our present system by removing financial barriers that in the past have denied some Americans access to high quality care.

Under this NHI proposal, with general revenues, the Federal Government would purchase care for the poor and unemployed who would receive the same benefit package as everyone else. While participation for employers would be mandatory, the system would remain essentially private. The employee is not required to accept his employer's insurance plan. He retains the right to choose the type of health insurance he believes best.

Now, let us take a look at the benefits of this proposed program:

First, the plan provides catastrophic protection for the entire population. It would remove—once and for all—that gnawing fear of bankrupting illness.

Second, it provides, during any 12-month period, for the following:

A total of 365 days of hospital inpatient care; 100 days of inpatient care in a skilled nursing facility; emergency or outpatient services customarily provided by a hospital; all medical care—diagnostic, therapeutic, or preventive—regardless of where such services are rendered.

Also, full dental care for children and emergency dental care for everyone; home health benefits; and many other services, including psychiatric treatment, well-baby care, X-ray and lab tests, and family planning.

The cost control mechanism of "coinsurance"—except for the poor—is incorporated into this plan. There is incontestable evidence that any health care system without some regulatory control is soon bogged down by the "worried well."

But the coinsurance factor will deprive no one needed care. The absolute maximum that any individual would have to pay would be \$1,500; the absolute maximum for any family would be \$2,000 in any given year.

Mr. Speaker, for any national health insurance plan to be viable, I am convinced we must depend heavily on the private sector for its financing, administration, and expertise. In particular, it is the pluralism of our private sector which has fostered the creativity and initiative characteristic of, and essential to, our free enterprise system. I believe that principle of pluralism must be maintained.

The Federal Government should limit itself to the purchase of health care for only those who need assistance, as the bill defines. We cannot afford to squander our National Treasury and taxpayers' dollars on those who can afford to purchase their own care. I support this approach of limited Federal financing because I feel we must not let the funding of a national health insurance program jeopardize our financial ability to deal with other urgent problems. We need to be prudent and fiscally responsible in whatever action we may take.

With that preamble, Mr. Speaker, I will now summarize the National Health Care Insurance Act of 1977:

SUMMARY OF COMPREHENSIVE HEALTH INSURANCE ACT OF 1977

FULL HEALTH CARE FOR ALL

The basic concept of this proposal is full health care for all persons through private health insurance. For many who are now employed and have some insurance protection, it will mean a substantial increase in allowable benefits that will assure that their health care needs will be met. Equally comprehensive benefits will be available to the poor and the indigent, through federal participation in the cost of insurance. A special program of supplemental insurance will provide like protection for the Medicare population.

EMPLOYER AND EMPLOYEE COVERAGE

Most persons will receive their health care protection under employer insurance programs fully financed by premium paid by employers and their employees. Employers will be required to offer the coverage, and participation will be optional for the employee. 65% of the premium will be payable by the employer (who could, if individually agreed upon, pay more than 65%) for the benefit of the employee (and family); the employee will pay the balance.

Individuals regularly working at least 20 hours per week, as well as full-time employees, will be entitled to this coverage.

For those employers, particularly any small employers, who will incur a substantial increase in payroll costs as a result of the new requirement to provide insurance for employees, federal assistance, over a period of 5 years, will largely alleviate the added

burden. Moreover, a government study ordered by the bill will determine any need for continuing assistance.

SELF-EMPLOYED, NON-EMPLOYED, AND THE ELDERLY

Needs of the poor and the medically indigent will be met through a system of insurance premium subsidies providing either credits against income tax, or "certificates of entitlement" acceptable by carriers toward payment of premium. Such subsidies will be scaled according to income, and will pay all of the premium for some and a part of the premium for others.

A non-employed person or a self-employed person would buy health care insurance which is "qualified", that is, meets federally established standards and conditions of coverage affording a person (and family) full care—diagnostic, therapeutic, and preventive, in and out of the hospital. A person could choose to pay the premium, in which case, when computing income tax return at year-end, the individual would simply reduce the amount of income tax by the amount of credit to which the person is entitled. On the other hand, a person might choose, instead, to make an application for a certificate of entitlement. An individual's insurance company could provide assistance (if so desired), and even put the insurance in force pending receipt of the certificate (with the government guaranteeing payment of the premium during the interval between application and receipt of the certificate).

The amount of the federal contribution will be based on individual or family income, measured by income tax liability for the year preceding the year for which the purchase is made. A table incorporated in the bill will show for each level of income tax liability (in \$10 intervals) the percentage of the insurance premiums which the government will contribute. Low income individuals and families having no income tax liability will be entitled to income tax credit (or a certificate) for the full amount of the premium; for other eligible persons, the entitlement will change gradually (within a range of 99% to 10% of the premium).

Since Medicare benefits fall short of the standard benefits provided in "qualified" insurance, special provision is made to offer "supplemental" insurance for the elderly. This will make available to them the full range of benefits provided for the under-65 population. The supplemental insurance premium will be supported by the federal government, in full for the aged poor, in part for the others, according to income.

CONTINUITY OF INSURANCE FOR THE UNEMPLOYED

Persons between jobs will be covered under a special program. All employer-sponsored insurance will provide coverage of employees and their families for 30 days following termination of employment. In addition, however, an individual will, during the period for which a person is entitled to unemployment compensation, be eligible for continuation of the same insurance held at the time of termination of employment, and such continuing insurance will be fully paid for by the federal government.

BENEFITS

Health benefits under the program are comprehensive and afford the basic needs as well as the catastrophic expenses that a family might encounter. Any person covered under the program will be entitled to all the hospital inpatient care a person might need, as many as 100 days of inpatient care in a skilled nursing facility, and all home health services. Each member of the family will also be entitled to full physician services, providing all surgical needs as well as general care, and a full range of preventive services, including

physical examinations, immunizations and inoculations, and outpatient psychiatric care. Children under 7 will be fully covered for dental care, and this age limit will be raised each year so as ultimately to include all persons under 18. Adults will be covered for emergency dental care. But the plan will not pay for items normally excluded, such as comfort items or cosmetic surgery.

COINSURANCE REQUIREMENTS

To keep costs down, and as a curb against over-utilization, individuals will be subject to a payment of 20% (called "coinsurance") of health benefits derived. However, the total coinsurance which a family will have to pay in any year will be limited according to its income. The poor will pay no coinsurance, others will pay a maximum in any year of 10% of income reduced by a "coinsurance deduction" that will assure that the obligation for coinsurance will increase only gradually as income rises. In effect, a family of four with a total income of \$4,200, with no income tax liability, will be exempt from coinsurance. At \$4,300 of income, the coinsurance limit would be 10% of the additional \$100 of income, or \$10; at \$10,000 the limit would be \$580. In no case could the annual coinsurance limit be more than \$1,500 for an individual or \$2,000 for a family. The limitation on coinsurance triggers the catastrophic expense protection, for health services are free of coinsurance when the limit is reached.

INSURANCE AVAILABILITY

Insurance will be available to all persons, regardless of prior medical history and on a guaranteed renewable basis. All carriers will offer the insurance, and will participate in an assigned-risk pool, if the state believes such pool is necessary to assure the availability of the coverage. In addition, premium for individuals or small groups within a state will be not more than 125% of the cost of insurance for members of large employee groups (over 50 persons) in a state.

ADMINISTRATION

State governments will regulate insurance within the state, subject to federal guidelines established under the program by a 15-member Health Insurance Board. The Secretary of HEW and the Commissioner of Internal Revenue will be members of this Board, and the additional members will include 7 practicing doctors of medicine, a doctor of osteopathy, a doctor of dentistry, and members of the general public. The new Board will also consult with carriers, providers and consumers in planning and developing programs for quality medical care, and will make annual progress reports to the President and to the Congress.

APPOINTMENT AS MEMBERS OF THE JOINT ECONOMIC COMMITTEE

The SPEAKER. Pursuant to the provisions of 15 U.S.C. 1024(a), the Chair appoints as members of the Joint Economic Committee the following Members on the part of the House: The gentleman from Missouri (Mr. BOLLING), the gentleman from Wisconsin (Mr. REUSS), the gentleman from Pennsylvania (Mr. MOORHEAD), the gentleman from Indiana (Mr. HAMILTON), the gentleman from Louisiana (Mr. LONG), the gentleman from New York (Mr. PIKE), the gentleman from Ohio (Mr. BROWN), the gentleman from Michigan (Mr. BROWN), the gentlewoman from Massachusetts (Mrs. HECKLER), and the gentleman from California (Mr. ROUSSELOT).

AVIATION ACT OF 1977—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95-45)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Public Works and Transportation and ordered to be printed:

To the Congress of the United States:

In October of 1975, I sent to the Congress a bill, the Aviation Act of 1975, that would have fundamentally reformed the manner in which the Civil Aeronautics Board regulates the airline industry. The bill was designed to make that industry more competitive and responsive to the needs of the American consumer. At the same time, the bill would have permitted efficient, well-managed companies to earn a fair return on investment and to attract the large amounts of capital needed for long-term growth, thus helping to make the industry healthier.

Many events have taken place since late 1975. Although my proposed aviation regulatory reform bill was not enacted, major and thorough hearings were held in both houses of the Congress on the many proposals to reform the economic regulation of the airlines. These hearings attracted wide public participation and discussion. They built an impressive record of detailed economic study and practical airline industry experience.

We have carefully reviewed testimony presented in these hearings and debates. The record is clear: The present regulatory system is costly to the consumer and is also sapping the financial health of the industry. Reform of airline economic regulation is needed, as soon as possible, and it must be thorough and substantial—even beyond my original proposal. Accordingly, I am submitting today the Aviation Act of 1977.

This new proposal is based on the same concepts as the 1975 bill and, like it, would reform aviation regulation in three key areas: Pricing, entry and exit, and antitrust exemptions. In each of these areas the Aviation Act of 1977 provides meaningful reform of the current, archaic regulatory system to allow this naturally competitive industry to reach its full potential. This proposed legislation is an improvement over the Aviation Act of 1975 since it builds upon the experience and information developed during the Congressional hearings and incorporates constructive concepts contained in other aviation reform proposals considered last year. The result is a simpler bill which provides a more appropriate approach to pricing and entry reform than was originally proposed. Furthermore, the bill contains other improvements, including a provision which would assure the continuation of essential air service to small communities.

The case for reform has been made. It is now time to act. My firm hope is that the Aviation Act of 1977 will receive prompt consideration and action by the Congress.

GERALD R. FORD.
THE WHITE HOUSE, January 13, 1977.

REPORTS OF THE SECRETARY OF DEFENSE AND THE SECRETARY OF TRANSPORTATION ON AWARDS MADE DURING FISCAL YEAR 1976 TO MEMBERS OF THE ARMED FORCES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Armed Services:

To the Congress of the United States:

Forwarded herewith in accordance with the provisions of 10 U.S.C. 1124 are reports of the Secretary of Defense and the Secretary of Transportation on awards made during Fiscal Year 1976 to members of the Armed Forces for suggestions, inventions and scientific achievements.

Participation by military personnel in the cash awards program was authorized by the Congress in 1965. More than 1.89 million suggestion submissions since that time attest to the success which the program has had as a means of motivating military personnel to seek ways of reducing costs and improving efficiency. Of those suggestions submitted, more than 296,000 have been adopted with resultant tangible first-year benefits in excess of \$929,000,000.

Of the 119,256 suggestions which were submitted by military personnel (including Coast Guard military personnel) during Fiscal Year 1976, 19,375 were adopted. Cash awards totaling \$1,343,224 were paid for these adopted suggestions, based not only on the tangible first-year benefits of \$52,983,753 which were realized therefrom, but also on many additional benefits and improvements of an intangible nature. Enlisted personnel received \$1,104,328 in awards, which represents 82 percent of the total cash awards paid. The remaining 18 percent was received by officer personnel and amounted to \$238,896.

Attached are reports of the Secretary of Defense and the Secretary of Transportation containing statistical information on the military awards program and brief descriptions of some of the more noteworthy contributions made by military personnel during Fiscal Year 1976.

GERALD R. FORD.

THE WHITE HOUSE, January 13, 1977.

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Participation by military personnel in the cash awards program was authorized by the Congress in 1965. More than 1.76 million suggestion submissions since that time attest to the success which the program has had as a means of motivating military personnel to seek ways of reducing costs and improving efficiency. Of those suggestions submitted, more than 275,000 have been adopted with resultant tangible first-year benefits in excess of \$873,000,000.

Of the 125,777 suggestions which were submitted by military personnel (including Coast Guard military personnel) during Fiscal Year 1975, 20,760 were adopted. Cash awards totaling \$1,442,536 were paid for these adopted suggestions, based not only on the tangible first-year benefits of \$74,347,607.94 which were realized therefrom, but also on many additional benefits and improvements of an intangible nature. Enlisted personnel received \$1,175,908.50 in awards, which represents 81 percent of the total cash awards paid. The remaining 19 percent was received by officer personnel and amounted to \$266,627.50.

Attached are reports of the Secretary of the Defense and the Secretary of Transportation containing statistical information on the military awards program and brief descriptions of some of the more noteworthy contributions made by military personnel during Fiscal Year 1975.

GERALD R. FORD.

THE WHITE HOUSE, January 13, 1977.

CONSTITUTIONAL AMENDMENT WOULD REPLACE ELECTORAL COLLEGE

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

Mr. EDWARDS of Alabama. Mr. Speaker, I am today introducing legislation to provide for a kind of election reform we have been talking about for years, a resolution calling for a constitutional amendment replacing our archaic electoral college system with a direct popular vote.

The electoral college was established in an era when, with no means of mass communication or easy transportation, it was impossible for the voters to know their candidates and elect their leaders directly. Today, with our electronic and computerized systems of communication, it not only is unnecessary to retain this system, it is a real anachronism. In the early days of our country, the people in each State would elect people in whom they had great confidence to go to the State capitol to decide and cast their votes. But over the years, these electors were not legally bound to vote for the nominees of their political parties, and numbers of them betrayed the confidence of the people they represented when finally casting votes in the electoral

college. We saw this happen again in this most recent Presidential election.

Even more disturbing is the fact that today the Presidential candidate receiving the most votes in a State is entitled to all that State's electoral votes. Thus a candidate who gets only 51 percent of the people's vote in a State gets all the electoral vote, with the other 49 percent of the people casting a silent vote. This is simply unfair—it is no wonder that we often hear the complaint that "Washington is not listening."

My resolution would change this system. In simple terms, it would provide, through constitutional amendment, a direct popular vote of the people. If no candidate won 40 percent of the vote, there would be a runoff between the top two competitors.

It is ridiculous to work on campaign finance reform, committee reorganization, and budget process changes without acting on this most basic reform. We must insure that the voice of the people is heard on this, the most important vote cast; and I urge my colleagues to join me in working on this effort early in the 95th Congress.

LEGISLATIVE PROGRAM

(Mr. BAUMAN asked and was given permission to address the House for 1 minute.)

Mr. BAUMAN. Mr. Speaker, I have taken this time to ask the distinguished majority leader if he will give us the program for the House of Representatives for the coming historic and momentous week ahead of us.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the distinguished majority leader.

Mr. WRIGHT. Mr. Speaker, the program for the following week is as follows:

On Monday the House will meet at noon. There are no bills scheduled.

On Tuesday we would expect that the House would not be in session.

The House will be meeting at noon on Wednesday in order that we might handle the resolutions on committee assignments.

On Thursday, which is Inauguration Day, we will ask that the House come in at 10 a.m. so that we might adjourn from here to go out to the steps and participate in the inaugural ceremony.

It is not anticipated that there will be any session on next Friday.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday of next week.

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

There was no objection.

ADJOURNMENT FROM MONDAY,
JANUARY 17, TO WEDNESDAY,
JANUARY 19, 1977

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday next, it adjourn to meet at noon on Wednesday next.

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

There was no objection.

HOOR OF MEETING ON THURSDAY,
JANUARY 20, 1977

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns on Wednesday next, it adjourn to meet at 10 o'clock a.m. on Thursday, January 20, 1977.

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

There was no objection.

ADJOURNMENT TO MONDAY,
JANUARY 17, 1977

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday next.

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

There was no objection.

PUBLIC WORKS EMPLOYMENT ACT
OF 1976

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 60 minutes.

Mr. CONABLE. Mr. Speaker, I have reserved this time so that the Members may have ample opportunity to discuss the Public Works Employment Act of 1976. This act, as it has come to fruition shortly before Christmas, has been a matter of considerable concern to individual Members of Congress, and there has been a great deal of misunderstanding about it.

It is, of course, a provision that is likely to be extended in one form or another; and I think it important, before we automatically extend it and fund it to a greater degree, that we have some understanding and some discussion of how it has worked out in practice. I think we can avoid the pitfalls that were apparent in the distribution of funds, 100 percent Federal grants, to the localities, as announced by the Economic Development Administration in December.

Mr. Speaker, I would like to discuss, first of all, for the review of the Members and for the record, the manner in which this act has been administered. I have asked some members of my staff to talk with a program specialist and the Public Works Information Officer in the Economic Development Administration to get the details that many of us are vague about.

As we will recall, \$2 billion was appropriated under the local Public Works Capital Development and Investment Act of 1976 for grants to various State

and local public works projects. Of the \$2 billion EDA withdrew \$10 million of the appropriation to cover the costs of administering the title I program. This \$10 million withdrawal was provided for in the act.

The first administrative problem faced by the EDA was devising a State allocation formula. The only guideline in the act for determining each State's allocation of the \$2 billion in public works funds was that no State would receive less than 0.5 percent, or \$10 million, nor more than 12.5 percent, or \$250 million, of the appropriation. If the allocation formula had been based solely on the number of unemployed in each State, Colorado would have received more than Rhode Island. Colorado has relatively low unemployment, and most of this is concentrated in urban areas. Rhode Island has severe unemployment all over the State. It was clear that some provision had to be made to include the rate of unemployment as well as the number of unemployed persons in any State allocation formula.

After trial of several formulas, EDA determined that a 35/65 division of funds would provide the best balance in distribution. The 35/65 allocation can be described as follows: 35 percent of the \$2 billion was distributed among those States with unemployment rates above the national average, according to the State unemployment rates; 65 percent was distributed to each State's relative share of the total number of unemployed in the Nation.

After applying this formula, several States were apportioned only \$2 to \$3 million. Funds had to be redistributed somewhat, then, to provide each State with at least the minimum \$10 million allocation per State. Twenty-one States out of the fifty-three—that is including the territories which were also considered—received \$10 million; in other words, received the minimum. Only California received the maximum, \$250 million. New York received \$230 million.

There were no objections, to my knowledge, raised with the EDA against this 35/65 formula and how it worked out. It seems to have been a fair resolution of the apportionment problem as between the States, at least in the view of the Congressmen from whom we may hear further if they participate in this special order.

Mr. Speaker, now let us look at the substate distribution and see how that worked out. The directives in the act for substate distribution are as follows:

Rules, regulations, and procedures shall assure that adequate consideration is given to the relative needs of various sections of the country.

The Secretary shall consider, among other things, (1) the severity and duration of unemployment in proposed project areas; (2) income levels and the extent of underemployment in proposed project area; and (3) the extent to which proposed projects will contribute to the reduction of unemployment.

The Secretary shall give priority and preference to public works projects of local governments.

The act also provided for a 70-30 split of funds allocated to the States based on unemployment data for the three most recent consecutive months for

which data is available. This meant that 70 percent of each State's funds was to go to those project areas with unemployment rates above the national average, while 30 percent was to go to those project areas with unemployment rates between 6.5 percent and the national average.

The Secretary was also advised that in determining the unemployment rate of a local government, unemployment in those adjoining areas from which labor force for such project may be drawn, shall, upon request of the applicant, be taken into consideration. This was one of the factors that resulted in what, to many people, appeared to be an aberrant distribution pattern.

A further instruction was that applicants shall relate the request to existing approved plans and shall make requests which will permit or advance longer range plans and programs.

This last point, if I may interject, was probably the only criterion relating to the actual need for the project. Actually the criterion we laid down related entirely to the creation of jobs and not necessarily to the needs of the community. However, we did say that applications should make requests which would permit or advance longer range plans and programs. If we were to characterize the amount in the scoring that went toward community needs, it would be probably 10 percent or less.

The EDA had to develop scoring procedures in response to the above directives. Before describing the scoring formula, a few of the inherent problems of the above directives should be discussed.

No mention is made of the needs of the community other than unemployment. This concern was reflected, as I will mention later on, where the applicant was advised to relate requests to existing approved plans.

Unemployment statistics are drawn from the three most recent consecutive months for which data is available and scored by comparing these to national statistics for the same period. Many projects used CETA statistics which were uniform for April, May, and June of 1976. However, in project areas not having CETA figures, the act had to be followed, which meant that data submitted may have been from differing time periods. I believe CETA has nearly completed updated unemployment statistics for virtually every county in the country. This new data could be used in the future to insure uniform statistics. But, quite frankly, the statistics used in the \$2 billion distribution is somewhat suspect in some cases.

The directive we gave the EDA relating to the 70-30 split can be defined as follows:

Seventy percent of each State's allocation was used for projects having a local unemployment rate above the national average.

Thirty percent of the State's allocation was used for projects in areas where the unemployment rate was below the national average, but 6.5 percent.

This 70-30 split was proposed when the national unemployment rate was much closer to 9 percent. Therefore 30 percent of the funds would have been for areas

with unemployment under 8.56 percent but greater than 6.5 percent. Because the national rate dropped substantially during 1976, at least during the months used to obtain statistics, 30 percent of the funds were directed toward areas with a very narrow range of unemployment: 6.5 percent to about 7.5 percent.

This meant that areas with 8 to 9 percent unemployment were ranked very low on the 70 percent scoring scale, and may not have been funded, while a project area with 7.3 to 7.5 percent unemployment would rank quite high on the 30 percent scoring scale and might very well have been funded.

The intent of the 70-30 split was to prevent concentration of funds in a few areas. However, if this is continued, EDA suggests that an escalator clause be provided for in any new public works legislation to compensate for changes in the national unemployment rate. We did not take that into account. I will tell the Members quite frankly that this was the major factor in some of the aberrant results under the act.

Any project coming from an area which had between 6.5 and 7.5 percent unemployment under the 70-30 split had a much better chance of being funded than those projects that came from areas with higher than the national average. The intent of the law was certainly beneficial. The results, however, were quite erratic.

The directive that we gave EDA permitting unemployment data to be computed for the immediate project area as well as adjoining areas from which the labor force would be drawn presents further difficulty in obtaining uniform unemployment data. This is section 108(f) of the act which tended to obscure accurate statistics and could have been used to inflate unemployment data. As the unemployment data had the highest impact on the project score, it is felt by EDA that this section should be tempered, if not eliminated.

To understand the scoring, let me go through that briefly.

The EDA devised two 4-factor scoring formulas to process applications in response to the above discussed directives. The first 4-factor formula was used to compute the basic score and is largely based on the unemployment statistics. Up to 30 points were permitted for the number of unemployed in the project area; up to 25 points for the rate of unemployed in the project area; up to 30 points for the labor intensity factor of the project.

EDA established a minimum-maximum labor intensity of 10 percent and 80 percent respectively. If a project had over 35 percent labor intensity, it automatically received all 30 points under this scoring formula, and up to 15 points were permitted for per capita income of the project area. This is the kind of complicated formula they felt they had to set up if they were going to score appropriately.

A second 4-factor formula was used to compute the supplementary score, that is, this score was computed and multiplied as a percentage times the basic

score, and the product was then added to the basic score for the final score. These four factors are based on the other directives in the act. There are up to 10 points for a long range benefit project, looked at again in the case of scoring ties. This could be construed as a test of community need. There are five points if the application was submitted by a unit of local government or a school district; three points if the application was submitted by a special-purpose district of local governments; and up to five points for the project's relationship to existing plans.

This appears to be another test of the community need, although I am not sure exactly what the need is. The scoring formula followed the act rather closely. The most severe problems seemed to stem from the act itself or from the points allocated to each of the eight scoring factors by EDA.

EDA predicted that States having large population centers could monopolize most of a State's allocation. To compensate for this, EDA devised a formula for adjustments after final scoring, to avoid "undue concentration" of public works funds. This formula was used only when more than one project from a specific project area scored within the funding range. The formula is not considered to be an entitlement for any area. An application had to score within the funding range to be affected by final adjustment.

In making determinations of undue concentration the ratio of area unemployment to State unemployment was determined. This percentage was applied to the State planning allocation of public works funds to establish a project area funding "benchmark." Projects were then selected according to score until the selections from an area exceeded the benchmark. After that point, no projects from that area were selected. For example, New York City has about 45 percent of the State's unemployment. Projects were funded from New York City according to score until 45 percent of the State's allocation was used, and then no more projects were funded.

Now let us just look very briefly and with rounded figures at the public works applications nationwide under this act. The amount available for the awards was \$1,990 million. Members will remember that \$10 million was taken out for administration. The total number of applications was 22,275. The amount requested in these applications was \$20,308 million. The number in the 70-percent category was 17,085 of the 22,275 applications. The total amount requested was \$16,231 million.

There were only 3,882 applications requesting \$3,119 million in the 30-percent category, which was set aside for project areas with unemployment rates above 6.5 percent but below the national average. The number of applications with unemployment rates less than 6.5 percent was only 788, and there was an aggregate of \$563 million under those applications. There may be discrepancies in the statistics which come from EDA on these figures. Some people may have come up with different figures than I

have, but EDA may have accepted some late applications after determining the above statistics for technical reasons.

The breakdown of the types of projects selected is: 24.5 percent for public buildings; 20.7 percent for water/sewer/drainage projects; 19.1 percent for schools; and 9.1 percent for streets, roads, and bridges. The breakdown of types of project scored, but not selected were somewhat similar. There is: 19.3 percent for water/sewer/drainage projects; 16.5 percent for schools; 14.9 percent for public buildings, 14.9 percent for miscellaneous; and 10 percent for streets, roads, and bridges.

Of the projects funded, the 1,988 awarded, using all funds available, 65 percent were in urban areas and 35 percent, in rural areas. The actual rural/urban split in the United States is about 30/70, but some of the provisions in the act favored rural areas.

I will not go through the figures for New York State. They are available for those who are interested.

I must say, Mr. Speaker, that there was a good deal of unhappiness about this act as it finally emerged. I find some of my colleagues perfectly satisfied. My own district, the 35th in New York, received a substantial amount of money, \$13 million. It was concentrated in two of five counties. For technical reasons, one small rural county received very substantial grants. Three other rural counties received none at all.

There was, of course, the usual suspicion that the Congressman had in some way affected the distribution of this money. I suspect many of my colleagues may have had a similar experience to the one I had, that they could not claim any credit for this great beneficence, for some blame would also attach from those areas that did not receive funding.

I think it is clear from the way the Economic Development Administration administered the act that they tried to live up to the spirit of the act and distribute the money according to a formula which, after all, was set down with some rigidity in the act itself. I think it is also clear that political pressure had very little to do with this distribution of money.

I would hope that if we extend this act in any way and fund it as part of a job creation or economic stimulus program, such as that proposed by the President-elect, that this nonpolitical distribution of money would be reflected in any extension of the act.

Mr. RUPPE. Mr. Speaker, will the gentleman yield?

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

Mr. RUPPE. Mr. Speaker, the gentleman from New York (Mr. CONABLE) indicated a moment ago that rural areas in some situations did rather well or fared well under the bill.

I can only point to our own case in Michigan where those rural areas that had high unemployment and where they were eligible for that 70-percent funding did very poorly, because under either the law or the regulations the numbers of unemployed were a key factor in where the moneys were distributed; so basic-

ally in Michigan, Detroit walked off with all the money, which went really to those areas of high unemployment, because they had the actual overall numbers of unemployed and the rural counties upstate with higher percentages of unemployment and lower numbers than the aggregate simply received very little or nothing. Wayne County, oddly enough, took it both ways. Detroit is also in Wayne County and took a large chunk of the money on the basis of large numbers of unemployed. Several other areas within the county went under the funds, under the 30 percent available to those communities or areas with less than the average number of employed and, in effect, they got it both ways.

the manner in which the application was made out, the area for which the crea-

In Michigan, I would say the rural areas fared very badly and the large urban areas, mainly Detroit and Wayne County, walked off with most of the money.

Mr. CONABLE. Mr. Speaker, that was not true with regard to the statistics I have quoted; but I find there were a number of rural areas in the 70-percent category that were able to claim the jobs would be created in adjoining areas when there was not enough employment available in rural areas, thus raising the question of the rural impact.

That raises a question about the desirability of having a law which requires an application of law for a very limited period of time. I realize the purpose in back of that was designed to create jobs quickly. EDA did not build this up over a long period of time or check up on the validity of the applications. I think tion of jobs was claimed seems to have had quite a bit of impact. And the EDA had no way to check up whether or not there was uniformity in the applications made across the country in this respect. The result was that some places were able to claim job creation beyond their local area and these seemed to have fared very well as a whole.

Mr. RUPPE. Mr. Speaker, if the gentleman will yield further, it appears to me that the rural areas did very well at times in relation to the funding available. Other communities that have less than the national average, those in big cities, at least in my State, got eligibility under the area of having more than the national average, but some of the small communities having a lot of unemployment, but less than the national average, did fairly well.

They do pretty well under the lesser amounts of money, but the high unemployment small communities in Michigan did extremely poorly because Detroit walked off with the dollars on the basis of the numbers of unemployed in that high unemployment county or city.

Mr. CONABLE. I do want to point out to the gentleman that EDA, in administering this money, had a formula to prevent the concentration of all funds in one area. I doubt that Detroit walked off with everything. There may have been, however, what appeared to be from the gentleman's point of view to be an undue concentration in Detroit relative to the total State of Michigan.

Mr. YOUNG of Florida. Mr. Speaker, will the gentleman yield?

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

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

Mr. Speaker, the gentleman from Michigan has raised a point which has created real problems in my district. The city of Clearwater applied as a higher unemployment rate of the entire county, and fell into that category of the 70 percent money; whereas, had they used their own unemployment rate, which was lower than the national average, they would have fallen into the 30-percent category.

From the information provided by EDA, it appears they would have been totally funded where, in fact, they did not get a penny. I am happy that the gentleman raised that issue, and I compliment the gentleman from New York for taking this time to call this problem to the attention of the House.

Mr. CONABLE. I thank the gentleman. I think it is clear that the 70-30 split, as it is worked out, is an effort to insure that there would be a broader distribution of these projects into areas, some of which had unemployment below the national average, and did result in those within the 1-percent band below 7.5 percent having a much better chance of being funded than those over the national average. That certainly was not only an untoward but an unfair result of the law.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

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

Mrs. FENWICK. Mr. Speaker, I thank the gentleman from New York for yielding to me.

We ran into an entirely different problem, a whole area of the formula that has not yet been mentioned. In my district there was a great disappointment because a project which had been selected for further processing was turned down on the grounds that it did not fit one of the two criteria: First, that the unemployment figures in the Department of Labor area—which has not been mentioned here—the Department of Labor has areas which they consider that divide up the Nation, State by State. There are these areas, and they were counting the unemployment rate in that particular area.

The second was a requirement that it be contiguous; in other words, that although the project in this particular town would have drawn heavily on two cities where there is tremendous unemployment because that is where the work force comes from, that was not allowed to be counted because those two cities, although nearby, were not exactly contiguous.

So, those are two areas I have been waiting to hear about from the gentleman. The 70 to 30 did not seem to interfere with my district; neither did the 65 to 35. Is the gentleman going to comment on that?

Mr. CONABLE. I thank the gentle-

woman for her contribution. I was not aware that was a serious problem; of course the fact that it was a problem reflects the need to have some standards.

Mrs. FENWICK. Some formula.

Mr. CONABLE. And the standards worked against the gentlewoman in this case.

Mrs. FENWICK. Because, you see, what happened was that the unfortunate thing is, it seems to me, that in one place one kind of formula is applied and in another case another kind of formula is applied. The public is not satisfied that the gentleman and I are not pulling strings or something. I think we could make our formula simpler and achieve some kind of result where it would be better than having these various things.

I spoke to the Regional Director, and the criteria of the Department of Labor area and, being contiguous, those were the only two mentioned to me.

Mr. CONABLE. I thank the gentleman again.

One of the reasons we are having this special order is so that we can get inputs from the various Members about what happened in their districts. Quite frankly, the implication that we are simply going to extend this act, fund it with an additional \$4 billion—\$2 billion per year—I think would be a serious mistake. It would result in lower priority projects, at least under these criteria, being funded. We would still have, in disappointed applicants, roughly \$14 billion of applications after the whole program had been funded.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. I appreciate the gentleman's yielding.

Mr. Speaker, I want to join other Members in complimenting the gentleman for bringing this issue to the floor of the House and for the obviously detailed study the gentleman has made of the program. I do not know whether the gentleman found these details out after the gentleman's area bombarded him, as mine has done and, probably, most areas have done, with complaints as to why certain projects were not selected, or whether the gentleman was aware of these details in advance. But I think most of us were not familiar with the detailed formula that was going to be used, and we have later learned, to our sorrow, some of the problems the gentleman has referred to so very effectively.

Mr. Speaker, I might just add to that chamber of horrors and point out one other that I discovered in my own district. The capital city of Albany, which I represent in New York, although it has a rather substantial amount of unemployment, received not a single project, while some suburban communities in other counties received projects.

I went through the computer print-out when it was sent to our offices here the other day, and discovered, in looking at all the projects that had been submitted by communities in Albany County, that some of them had a higher priority rating within the 30-percent cate-

gory than several projects in neighboring communities that had been selected. And then I looked at the computer print-out to find out what the reason was, and the symbol was 61. That symbol means that the area had already received enough projects.

The gentleman mentioned earlier that when the amount of money allocated to match the number of unemployed in a particular area, no further projects were approved. But Albany County had not received a single project. So how could it already have enough? So I looked more carefully, and found three projects listed as attributed to Albany County and to the city of Albany. But when we checked into what they were, it turned out they were applications submitted in one case by the State University of New York and in another case by the New York State Department of Parks and Recreation, both located physically in the city of Albany, of course, but for work to be done on Long Island. Yet these three projects, totaling over \$4 million, had exhausted the Albany County share of the funds. How ridiculous can you get? When I brought this error to the attention of the officials of EDA, they said, "Yes, that is a mistake. We are sorry."

Mr. Speaker, this is one of the reasons why we simply cannot do this selection process exclusively by computer. The money has already been allocated. I do not know whether these errors can now be corrected. But, clearly, the impartial, almost mechanical, attitude that EDA took, without listening to any Members of Congress for fear we might corrupt them, has plainly backfired in a number of cases.

I would like to make two other points, if the gentleman will permit me, because we both come from the same State and we have some of the same problems. I think we have to realize, as the gentleman has alluded to, that, after all, the basic purpose of this public works program was to get some construction going fast, not to solve all of the problems of the cities and not necessarily to take care of every particular project. And, therefore, the action on it had to be fast and, as the gentleman indicated, sometimes superficial, if we were going to get the full prompt benefit of the program.

The gentleman, being much younger than I, does not probably recall that we had a similar program in the Kennedy administration under the title APW, Accelerated Public Works.

Mr. CONABLE. Mr. Speaker, I am glad to defer to the great age of my friend, the gentleman from New York.

Mr. STRATTON. This is an era when seniority does not do much good around here. I am just facing the facts.

The complaint in those Kennedy days, as today, was that if you went in for a HUD project or an urban renewal project, you spent 15 or 20 months going back and forth from your community to Washington with endless reviews of your application, and you simply never got the money in time.

So in the Kennedy APW program when those projects were allocated they were not done by computer. I think we can

agree that Congressmen had some input; we got the projects underway and we relieved the unemployment problem.

I suppose we are never going to find a formula which will satisfy everybody, and if all 535 Members of Congress debate this matter, the country's economy will probably go down the drain before we get the additional stimulus that President-elect Carter wants to give it.

Mr. Speaker, I think we have to recognize that to some extent this program was like a lottery. There were 25,000 applications, and only 2,000 could win. That is pretty much like putting down \$2 at the track and hoping for the best.

I think the important thing, as the gentleman has already said, is that Congress should look these criteria over more carefully when we renew the program, and in that respect I would like to suggest two things.

First of all, it seems to me that every area of substantial unemployment ought to have at least one project; and, second, in the case of these various errors that have been referred to—the computer error that I mentioned, as well as some of the others—communities that missed out the other day because of this kind of an error should have first priority in the next go-around.

Mr. CONABLE. Mr. Speaker, I thank the gentleman for his extensive contribution.

Our informant is the EDA for the most part. My fine staff has talked to them at some length. The EDA may be a biased source, but they claim there is serious doubt as to whether allowing longer periods of time would have affected the administration of the program or not. Anyway, the consensus that is reported is that they should have credit for just following the law.

If the results are capricious, they seem to be based on the law as we drew it rather than on superficial checks, although there seems to be little doubt that there were different criteria used by different areas that did affect the outcome to some extent.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Speaker, I want to thank the gentleman for yielding. I think the gentleman is making a good record, one that might possibly be read by somebody. That is the reason I want to bring out a couple of points.

The first point is that they only funded those projects for which 100 percent funding was being requested. There were some projects where a contribution of perhaps only 25 or 50 percent of Federal money would have resulted in a project being let, and if they could have or would have funded those kinds of projects, then the money would have gone further. In other words, we would get more jobs for the amount of money being spent.

So I believe it is a bad mistake to require that there must be 100 percent Federal funding. That is my first point, and perhaps the gentleman wants to comment on that.

Mr. CONABLE. No, I believe not at this point.

Mr. SMITH of Iowa. Mr. Speaker, the second point is that we do not really have any statistics that tell us how many people want a job compared to the number of people who get a job. Perhaps I am not getting that stated just right.

Anyway, the statistics we are using as a triggering mechanism are faulty. For example, about 3 years ago or 2 years ago in Detroit everyone who wanted a job had a chance to get a job. In Iowa perhaps a third of the people who would like to have a job never had the opportunity to get a job.

So it would appear by the statistics that more people are unemployed in Detroit than are unemployed in Iowa. Yet, as a matter of fact there are more jobs available for the unemployed in Detroit than there are in Iowa. The result is that tens of thousands of women, for instance, never had a chance to get a job.

Therefore, I think that these kinds of statistics that we have used as a triggering mechanism really are faulty to start with.

Mr. CONABLE. Mr. Speaker, it seems to me that is a problem with all of our unemployment statistics generally. We are using patterns of unemployment in our unemployment statistics that go back over many years, and I think that they are not always as illuminating as they should be to reflect the actual structure of unemployment. That is a problem not only with this act, but with many other programs as well.

Mr. GOODLING. Mr. Speaker, will the gentleman yield?

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

Mr. GOODLING. Mr. Speaker, I would like to point out, first of all, that the gentleman who ran this program is from my district. He needed my approval to get the job that he got, and I did not get a project in my entire district; but I did get a lot of attention since they have been handed out asking me why we did not get a project.

As I see it, there are several problems. First of all, I was under the impression when we were proposing this program that it was unemployment in the construction area that we were really going to dig into.

Mr. CONABLE. Those figures simply were not available.

Mr. GOODLING. According to them, that is true; the Labor Department said they were not. They would not use State figures, nor would they use State figures in the other situation.

Second, in my area, places like York city did not get anything because they used York County unemployment figures. They tell me the reason they did that was because there was some tieup as regards the city. The figure for York city is 11-something percent, but they used the county figures.

Third, they said that, of course, the 70/30 formula really fouled them up because they had lots of projects for 70 percent, but not many for 30 percent.

The reverse of that was also true in another area of Pennsylvania. Mount Lebanon, not in my district, got a project. They used Allegheny figures for Mount Lebanon. That has nothing to do with Mount Lebanon's unemployment, nor with Mount Lebanon's per capita situation. Those were all areas that were cranked into this formula. I am not saying that they did anything wrong in relationship to jiggling the formula. The formula was wrong, and the figures they had to put in were wrong if we were going to get the construction industry off its back.

Those were the problems which were pointed out.

Mr. CONABLE. Mr. Speaker, the gentleman from Pennsylvania (Mr. GOODLING) raises some good technical points.

I think perhaps we could summarize some of these technical problems that arose in the administration of the act. There does not seem to have been any pattern in the types of program funded except for a bias in favor of labor-intensive projects and those which would lead to permanent employment.

The duration of employment was one of the criteria in the act, but it was not used. Perhaps, once again, it was too difficult for the Labor Department to come up with accurate statistics, and that is why it was not used.

The use of unemployment figures in the construction industry was mentioned in the act, but was not used since there are no accurate and timely figures available, according to the Labor Department.

Mr. GOODLING. According to the Labor Department; that is correct.

Mr. CONABLE. Yes. Seasonably adjusted rates of unemployment were not used because the Department of Labor could not supply them. This works against States in the North where it is an important factor.

Some critics insist that the public employment figures understate the rate of unemployment—such as was pointed out by the gentleman from Iowa—because of the nature of the unemployment statistics. This is a more basic statistical problem than that which is affected just by this act. However, this act does help underscore the point that we should bring our statistical-gathering techniques up to date. We have not done it; and it, of course, is apparent when we look at the results of the distribution under this act.

Mr. Speaker, let me say further that the gentleman from Pennsylvania (Mr. GOODLING) has mentioned the fact that the man who was making the distribution was from his district. This district did not get a project. That was one of the saying graces in the final result as far as this individual Congressman is concerned. As I mentioned, my district did very well in the aggregate, but substantial pieces of my district were completely left out. It must have been apparent to anyone that if the money had been distributed politically, it would have been distributed in a more evenhanded way to avoid the criticisms that result from capriciousness as a result of the application of the formula we imposed on EDA.

Consequently, Mr. Speaker, very frankly, I am grateful that it was apparent, from the end result, that it was a formula distribution. Otherwise I think I could have been much more effectively criticized by constituents who felt that I might not have looked out for their interest in the distribution of this money.

Mr. GOODLING. Mr. Speaker, if the gentleman will yield further, I think there was nothing political at all about it. I think it was what was cranked in, and that was the way in which it fell. It was just that what was cranked in was not the right thing to crank into the formula.

Mr. CONABLE. Mr. Speaker, I would hope that if there is any extension of this program that it would not be political to any degree again. But I would also hope that the formula would be sufficiently overhauled so that we could avoid the appearance of capriciousness which was certainly one of the net results in my area, in any event.

Mr. RUPPE. Mr. Speaker, will the gentleman yield?

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

Mr. RUPPE. Mr. Speaker, the gentleman from Iowa (Mr. SMITH), a few minutes ago, made an interesting observation and that was that the EDA people did not fund any of the projects where less than 100 percent of funding was requested. I suspect in the future that the legislation may be somewhat more effective if the State or local communities are required to put up some small portion of the moneys rather than the Federal Government footing the entire bill.

I think that we got out of that \$20,000 request—and, remember, a lot of the projects were probably not necessarily that desirable but were in there because it was free and, second, a lot of the projects turned out to be much greater or larger in dollar volume again because of the Federal Government paying the entire bill.

So, as I say, Mr. Speaker, I believe that if a portion of the money would be paid at the State and local levels, we would probably see a number of projects weeded out and a number also put in at a far lesser cost than in this last go-round where there was 100 percent Federal funding. This leads to a myriad of proposals and also leads to these proposals being put in that are much more extravagant in dollar size than they would be if the local unit paid some small portion of the total funding.

Mr. CONABLE. Mr. Speaker, I could not agree with the gentleman from Michigan more. It seems to me that anyone will put in for a Federal gift and it may or may not bear any relationship to the needs of the community. If we were to require some modest local community contribution, this would help weed out a great many of the projects that may have had only incidental effect on the needs of the community.

Mr. RUPPE. Or would reduce down somewhat the size of a project that probably does not have too much merit in its overall application.

Mr. CONABLE. I must say there was inevitably some capriciousness in the applications that were put in. People were dreaming up applications for anything they could think of because it involved no local sacrifice at all. I am concerned about that because, given the short time frame in which this set of applications was presented, there were many public works projects already in the works for very large sums of money involving local contributions which were of a higher priority than the applications that were put in under the 100 percent short time frame.

If once again we go the route of simply extending the existing act, or funding it to a greater degree then we will not have dealt with the problem of priority in a way that I think makes any sense for the Nation or the localities.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

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

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman from New York for yielding to me and I commend the gentleman for taking this special order so that we might discuss these projects and these problems.

Mr. Speaker, I believe that this is a very complicated situation and one in which, as the gentleman pointed out, if we had been permitted more time in order to better review these applications, and so on, that then it would not have had the desired effect of putting people to work immediately, but, on the other hand, I think what we ended up with was very much of a lottery.

Taking a look at the projects in my own district, I find that the number that was granted was far below what it should have been on any kind of a percentage analysis, and was not nearly as meritorious as many others that were turned down in higher unemployment areas, and it did not make much sense.

One of the things that has not been mentioned is, however, even though the total amount of the allocation was \$1 billion something, is that correct?

Mr. CONABLE. One billion nine hundred and ninety million dollars.

Mr. LAGOMARSINO. One billion nine hundred and ninety million dollars, that the work rate potential of this program went far beyond because many of the applicants spent considerable thousands and thousands of dollars in applying. We have now come to the conclusion, I think, that that was all money wasted, because it did not apparently make that much difference how well these applications were prepared. So we will have to change many facets of the administration of the program before I will support it.

Mr. Speaker, again I would like to commend my esteemed colleague from New York (Mr. CONABLE) for calling this special order to discuss the Public Works Employment Act (Public Law 9-369).

Frankly, I was dismayed at the way this program was administered by the Economic Development Administration.

Unemployment in the 19th District of California is right at the national average, yet the district received only one grant, totaling \$426,000. This represents two-hundredths of 1 percent of the \$2 billion allotted nationwide, or about one-tenth of what we should have received. Under an equitable division of the funds, we should have received almost \$4.6 million.

To take but one example Ventura County has 15,667 unemployed, or about 2 percent of the California total. Since California was allocated \$250 million under the program, the county should have received grants totaling almost \$5 million. Yet there was only one grant awarded in the county, in the amount of \$860,000. This despite the fact the county had "ready-to-go" projects for such vital and labor intensive projects as new fire stations and flood protection works.

The worst part about the program is the effect which it has had on the public's perception of the Federal Government and its ability to deal effectively and efficiently with serious problems such as unemployment. Typical of the reaction is a letter I have received from the Oxnard school district, which I would like to read into the RECORD:

JANUARY 6, 1977.

HON. ROBERT J. LAGOMARSINO,
House of Representatives,
Longworth House Office Building,
Washington, D.C.

DEAR BOB: The Board and the administrative staff of the Oxnard School District enthusiastically supports your call for a congressional probe into the award of grants from the 1976 Public Works Emergency Employment Act.

While we were genuinely disappointed that our request for funds to construct a badly needed elementary school was not approved, we would like to share with you our dismay relating to the apparent slipshod review process employed by the Economic Development Administration in Seattle.

Our district's application, requiring hundreds of man-hours of preparation time, was submitted well before the designated deadline. Shortly after submission, our application was returned with an indication that certain information was not adequately supplied. We phoned an EDA official in Seattle who apologized profusely stating that an inexperienced, novice review team had not adequately evaluated our application. He further indicated that other applications from school districts had been similarly returned and suggested that they be resubmitted to the Seattle office for consideration.

It is estimated that the Oxnard School District spent about \$10,000 in staff and consultant time for the submission of what we considered a very thorough and well-justified application for a \$2,600,000 elementary school facility. At the very least, we would like to believe our efforts received some semblance of competent review which we believe may not have occurred.

NORMAN R. BREKKE,
District Superintendent.

Mr. Speaker, I feel that in view of the evident inequities and questions which have arisen with regard to this program, a full scale inquiry should be undertaken. Like many of my colleagues, I have written to the Secretary of Commerce asking for an explanation, and have joined in requesting a General Accounting Of-

fice probe of the affair. Until we can be assured that another such fiasco will not occur, and until we can assure our constituents of better legislation and administration, I do not see how we can even think of passing another such program.

Mr. CONTE. Mr. Speaker, I want to commend the gentleman from New York (Mr. CONABLE) for arranging this special order to discuss the Public Works Employment Act (Public Law 94-369). As one of the original cosponsors of this act, and one who fought hard to get it enacted and provide the appropriations for its implementation, I am especially pleased to participate in this discussion.

Many of us who worked hard on this piece of legislation have been less than pleased with the resulting program. It appears that some areas received grants while others which seemed comparable got nothing. Projects of lesser priority received funding while those of greater need received nothing. In short, there have been a lot of problems with the program.

So far in this Congress there have been a number of proposals to expand and extend the public works employment program. I believe that this program is a good way of solving local unemployment, and because of that belief I have introduced legislation to expand the existing public works employment program to a \$15 billion authorization.

But before we do any serious expansion of this program, we should give some serious consideration to the lessons of the present program. We should take a close look at the way the program is administered, and consider how we might improve upon that administration.

Most of us would agree that the program did not turn out quite as we had hoped. The thing to examine at this point is whether the problems which arose were strictly administrative, or whether they arose from the legislation itself.

There is no question that some appalling incidents have taken place. As we are finding out from seeing printouts from the Economic Development Administration, some entire project applications were simply "lost"—those applications never made it into the computers, were never ranked, and so, of course, were never considered for funding. Since the allocation of funds is apparently complete, it appears that the projects which never made it into the computer are simply gone—prey to bureaucratic bungling.

I do not know where the fault lies, and this discussion would probably be best served without any attempt to levy blame. It may be that in our zeal to get the program going as soon as possible, we allowed insufficient time for the EDA to do a proper job. For the future, I recommend that the EDA devise some method of double checking to make sure that the applications which are received actually make it into the computer and are considered for funding. And in order to permit such a system to operate effectively, we should provide the EDA with sufficient time to make it work.

Another problem with the program

arose out of the division of available funds into two categories. In order to target available funds to those areas which were hardest hit by unemployment, we designated that 70 percent of the funds should go to areas with unemployment rates above the national average. The remaining 30 percent was reserved for communities with unemployment rates lower than the national average but above 6.5 percent.

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

There also appears to be a problem with the definition of "project area." The authorizing legislation allowed two different project area definitions. For the purposes of level of income, the community could only use its area of jurisdiction. But for the purposes of unemployment rate and number of unemployed, it could draw its own project area taking into consideration neighboring communities whose unemployed could be hired for the project. This seems to have resulted in a great deal of "gerrymandering" as each applicant tried to construct an area with the highest possible unemployment rate.

Certainly there should be some consideration of the rates of unemployment surrounding an applicant. Funding for a community's project should be reasonably expected to benefit not only that single community, but also the surrounding jurisdictions. But perhaps we should establish some uniformity in drawing the permissible project areas. Possibilities might include such standard recognized boundaries as CETA areas or labor market areas. And there should be one project area for all application purposes—not separate ones for the accumulation of application statistics.

There also seems to be a problem with uniformity of unemployment statistics. In this last round, many applications used figures for April-June, while others used June-August or July-September data. The applications should specify the months to be used, and there should be uniformity.

There should also be some allowance made for the differences in the ways different States calculate their unemployment statistics. Some States include people who have exhausted unemployment benefits while others do not. Some State figures take into the account the so-called "discouraged" job seeker, while others do not. And some State unemployment statistics, including those of Massachusetts, dramatically underestimate the number of long-term, chronically unemployed—the very people a measure like this should be helping.

In essence, before the next round it is important for the Bureau of Labor Sta-

tistics to examine its unemployment figures toward an analysis of whether these figures are actually comparable from State to State. And those figures which are not comparable should be adjusted or the formulae shifted to take differences into account.

In examining the rating criteria, it appears that insufficient weight was given to the long-term employment creating effects of a proposed project. Such things as water and sewer lines, industrial park development, and urban renewal will have an impact on the economic viability of a community or region much longer than the actual duration of the project. If we are going to genuinely beat unemployment in this country—and I believe that should be our top priority—then we must provide funds for projects which will have an enduring economic impact.

In legislation which I introduced earlier this session, I proposed placing more emphasis on the long-term employment impact of proposed projects, and I believe this should be included in any new public works employment program.

Mr. Speaker, although I have outlined some significant problem areas, I believe the public works employment program is essentially sound. The premise of targeting funds to areas with highest unemployment is a good one. It directs funds to areas which really need them, while avoiding the risk of fueling the fires of inflation.

I hope that the Congress will act promptly in extending the public works employment program, and I urge serious consideration of the suggestions which have been made on the floor today. This is a good program, but like all programs it can be made better.

Mr. Speaker, I also agree that we ought to eliminate that 30 percent part of the bill.

Mr. CONABLE. I thank the gentleman from Massachusetts for his contribution.

I would like to ask those who are seeking recognition now to withhold for 1 minute. The gentleman from Minnesota has taken an hour following this special order to continue this discussion.

I would like to say a few things in summing up my own view.

Mr. Speaker, this is a well-intentioned piece of legislation. It has I think caused quite a stir, particularly among those submitting those \$18 billion worth of applications who were disappointed. I do not think it is within the capacity of this country to meet everyone's desires in public works. I think it is very important, however, that if we are passing out Federal largess we do it according to the needs of the country and particularly according to the needs of the localities which receive this largess.

It seems to me, Mr. Speaker, that one of the best ways to achieve this is through having some modest participation by the locality in the financing of the public works projects that are involved. This is better assurance, in my view, of the actual need of the community than any rigid formula establishing some type of project which will have preference.

I would like to see the community have its input. I think that input should not be simply in the form of a race to get an

application, regardless of community needs, into the hands of those distributing the Federal largesse but in the approach that says to the members of that community: "What are you willing to finance in this community to the extent of 10 percent or 15 percent or 25 percent if we are to qualify for a Federal financing for the balance?"

I realize that involves a time factor and will slow down the creation of jobs. It seems to me, however, that in the long run it will be better for the country if we move with some caution on this type of program, permitting the communities to have their input and permitting the administrators to work out the details in ways that make sense not only to them, but also to the Congress as well. There are at the present time about eight bills, I understand, that are floating around, apparently all of them are pretty much the same as the last one. I also understand there is a great deal of talk about eliminating the 70-to-30 split.

I think the whole concept of this measure should be tested and challenged. We have some time. The issue of the economy is one we are going to be talking about here between now and the time for implementing any economic stimulus package, and it seems to me also the manner in which we move to create jobs is a very important responsibility of the Congress. I hope other Members will come forward with their own experiences. I hope the committees charged with the responsibility will hold hearings, as we are in effect holding an informal hearing during this special order today.

Mr. KEMP. Mr. Speaker, while I was encouraged to learn that several worthwhile projects will be implemented under the auspices of the public works program, I share the sense of injustice which has been expressed here today with regard to the selection process used by the EDA.

It has become apparent to me that the formula, which was devised to rank the proposals according to the stated criteria, has not been successful or even consistently applied in practice. Many of the most labor-intensive projects in areas of extremely high unemployment were eliminated from competition, even though many of these projects are vital to maintaining minimum health and safety standards in parts of my district.

More disturbing is the less than responsible manner in which applications were handled in the EDA regional office. Many of my constituents have contacted me in total frustration, relaying situations in which their applications were rejected wrongfully. In most cases, they were never given a chance to correct deficiencies where they truly existed, for the EDA notified them of those deficiencies several weeks after the deadline for submission, even though the applicants had originally submitted their proposals weeks before.

I would be loathe to approve an expansion of this program unless substantial improvements are made in the organization and administration of the program, as well as in the formula which is responsible for the selection of projects for funding. I feel that many of the problems could have been avoided, for instance, had there been more than one man to

address concerns, disseminate information, and give advice to all New York State residents with regard to the program.

Western New York is experiencing a severe economic depression, and there are certainly many ways in which Federal funds can be used to redress this situation. However, when funds are appropriated to create jobs whose end products are not given proper consideration, this is an irresponsible, unproductive, and wasteful expenditure. Such was the case of the infamous wall built around the Millard Fillmore monument in downtown Buffalo with EDA funds, and I refuse to support this type of misdirected solution to our economic problems.

I have advised Assistant Secretary Eden of my displeasure with the overall results of the public works program, and I would strongly suggest that a thorough review and revision is conducted before we begin to consider any type of expansion of the program.

I want to call your attention to an editorial which was published in the Buffalo Evening News on January 8, expressing deep concern over the effectiveness of the formula used in the public works program. This article calls for an adjustment in that formula which would permit a greater percentage of funds to flow into areas with unemployment rates above the national average. In light of the nature and purpose of the public works program, I commend this suggestion to you as worthy of your serious consideration:

FLAWS IN JOBS AID

Many city officials around the country, including Mayor Makowski and others here in Buffalo, are complaining about the way Washington is allocating emergency public-works funds designed to create jobs in high-unemployment areas. Their protests are both understandable and justified.

Unfortunately, they were also predictable, because the distribution formulas written into the law by Congress last fall were seriously defective.

The burden of the grumbles from local officials is that high-unemployment areas like Buffalo are receiving inadequate help while other areas of the country in far better shape economically are receiving more money than they need.

Part of the allocation problem may rest with the Commerce Department in handling the applications. But Commerce must follow mandates put in the law by Congress, and Congress required that a full 30 per cent of the total \$2 billion available in emergency funds must go to localities with jobless rates below the national average, now about 8 per cent. Why so? It seems clear that a major reason was to win a majority of votes on Capitol Hill for the program in an election year.

The incoming Democratic majority leader of the House, Rep. Jim Wright (who comes from the booming sunbelt state of Texas, by the way), now talks of doubling to \$4 billion the funds for this program. Presumably, that would give added money to cities like Buffalo.

But a more equitable approach—both in terms of the taxing public and the impact of the aid—would be to modify the allocation formulas so that all of whatever emergency jobs money becomes available would at least go to localities with jobless rates above the national average.

There has been much talk about the desirability of adjusting federal formulas to help economically depressed areas, particularly in the northeast. This is one specific

formula that could and should be improved to promote that goal.

Mr. WHALEN. Mr. Speaker, I am pleased to join over 200 of my colleagues in introducing legislation to increase appropriations for the Public Works Capital Development and Investment Act from \$2 billion to \$6 billion. Permit me to share with you my reasons for doing so.

First, one of the major priorities of the new Congress must be to put Americans back to work. Unemployment now has soared to 7.9 percent. The Nation last year spent \$19 billion on unemployment compensation, and every month 200,000 more workers are exhausting their entitlements. This bill, H.R. 59, authorizes less than one-third of the amount now spent on unemployment compensation for the creation of 600,000 new jobs. While this measure alone will not completely remedy the prospect of continued high unemployment, it can serve as the linchpin of a comprehensive effort to deal with this problem. This opportunity must not be missed.

Second, H.R. 59 will benefit both the public and private sectors of our economy. Approximately 80 percent of the jobs generated will be in the private realm. About 150,000 jobs will be created in the construction industry, which, nationwide, is now experiencing a 20- to 40-percent unemployment rate. Studies show that each on-site job will create an additional, related, off-site job. The net stimulative impact will not end here, but will extend to industries ranging across the entire economy. Also, these construction projects include roads, courthouses, schools, libraries, and parks. Thus, taxpayers will realize a substantial public service return on their tax dollars.

Third, response to the initial jobs program has been overwhelming, which indicates a great need for additional funding. Within 60 days of enactment of the legislation authorizing \$2 billion for this program, applications totaling some \$24 billion for local projects had been received. These applications—12 times the number which could be accommodated—ran the gamut from schools, playgrounds, libraries, and recreational facilities to sewer and waterlines and plants. Prompt enactment of H.R. 59 will permit the Economic Development Administration immediately to release additional funds to begin work on hundreds of local construction projects for which applications already are on file.

The House leadership and many members of the Public Works Committee have pledged to secure early enactment of this legislation and are already moving decisively in this direction. I commend these efforts and join my colleagues in urging rapid advancement of this bill in order to reduce unemployment as quickly as possible.

Mr. MOFFETT. Mr. Speaker, probably the most valuable lesson of this first round of Public Works Act funding is this: Our towns, our cities, our school districts are overflowing with vital and important public works ideas.

Thousands of major, worthwhile community service projects are on the draw-

ing boards of our country—at the very same time 8 million skilled and employable men and women are begging for meaningful jobs.

Our communities need an equitable re-funding of this important legislation.

In my own district, towns of brutally high and chronic unemployment—Enfield, New Britain, Winsted, and Southington, to name just a few—received no money at all under the first funding of this act. I intend to work hard with them and with Mr. ROBERT ROE's distinguished subcommittee to give these towns' projects a second chance.

Our unemployed need these jobs. Our communities need these resources.

Mr. HAMMERSCHMIDT. Mr. Speaker, during the 94th Congress in direct response to the high national unemployment rate, the Public Works Employment Act was enacted. The first title of this act authorized \$2 billion for the construction of public works facilities in local communities. The Economic Development Administration within the Department of Commerce was delegated the responsibility of accepting and selecting projects for the \$2 billion. The response to this program was phenomenal. More than 25,000 applications were received from throughout the country totaling more than \$24 billion. Last December 23 the EDA announced its final screening which eliminated all but 2,000 applications; those, when final grants are made, will deplete the authorized funds.

I know that since that time Members of Congress have been bombarded with calls from their constituents. I sense interest among my colleagues is extremely high in both the allocation process and the possibility of extending and continuing the Local Public Works Capital Development and Investment Act. In view of this interest, I thought it might be helpful to review some of the basic tenets of the legislation and to expound on the selection process used by EDA.

The clearly expressed intent of Congress was that this legislation should provide jobs, stimulate the construction industry where unemployment was twice that of the national unemployment rate, and provide funds to local communities to build needed facilities. To insure that funds were targeted to areas with the greatest need, the law stipulated that 70 percent of all funds must go to the areas having unemployment in excess of the national average and 30 percent of the funds would go to areas having unemployment rates in excess of 6.5 percent but less than the national areas. In addition, such provisions were to insure that no areas of the country were totally excluded from the benefits. Based on this legislation, EDA regulations outlined a project ranking procedure in an effort to see that all applications were treated equitably and reviewed as thoroughly and quickly as possible.

All projects were ranked within each State and priority category. Projects were evaluated as follows:

Thirty percent on the number of unemployed people in the project area;

Thirty percent on the labor intensity

of the project—this being the relation of the labor costs or man-months of employment to the total project cost;

Twenty-five percent on the overall unemployment rate in the area; and

Fifteen percent on the level of per capita income.

In addition, bonus points were given to projects providing long-term benefits, projects of local government, and projects relating to overall existing plans or programs. The number of unemployed persons and the rate of unemployment were obtained from the most recent 3 months for which unemployment data was available. In this round of funding State and local statistics, which were supplied by the Bureau of Labor Statistics, were for the months of April, May, and June. In cases where State or local governments supplied their own unemployment data, more recent figures were available in some cases. Using this criteria, projects receiving the highest score in each State and priority category were selected.

My inquiries of EDA officials and my conversations with local officials have indicated that the projects on the final screening list were worthwhile projects. Many of these projects will be constructed in areas having unemployment percentage rates in the teens. As a result of these funds, hospitals, schools, streets, water systems, and industrial parks will be constructed in communities throughout the country. Thousands of jobs will be created.

On the other hand, a large number of worthwhile projects will not receive funds. This certainly does not imply that these projects do not have merit and are not sorely needed in the communities. The fact is simply that there were \$24 billion worth of applications bidding for \$2 billion in available funds.

I want to commend the officials of the EDA on their outstanding handling of this tough assignment. The law required that they develop rules and guidelines within 30 days of enactment. It required that a decision on applications be made within 60 days. Against nearly insurmountable odds, they did this. I believe that the guidelines and procedures followed by EDA were a sincere and honest interpretation of the law. I do not mean to imply that the legislation is without fault. There may be need for certain legislative refinements.

We now have an opportunity to look at this program in operation and to examine the projects selected in the first round of funding. I feel it is essential that we take advantage of this opportunity to assess the program and to examine the factors used in the selection process. Certainly it is important that we evaluate the relationship of the factors to the legislative intent of this program. It is important we assess whether there is a need to alter the legislation because in practice the selection process resulted in different choices than we anticipated when the legislation was developed.

I am certain you, my colleagues, are aware that legislation has been introduced to provide additional funds for

this program. It already has a large number of sponsors in the House and interest in continuing this program is high. I support the continuation of this program because I feel there are a number of worthwhile projects which vitally need these funds. Unemployment is still too high and I believe the concept of public works employment is an important economic stimulus. However, I feel it is equally important that we not become so enthralled with providing funds immediately that we fail to take the thorough look at this program which it deserves.

As the ranking minority member of the Economic Development Subcommittee of the Public Works and Transportation Committee, which has jurisdiction over this program, I am committed to ex-

amining this program in hearings which the subcommittee anticipates holding later this month. Certainly I would welcome any comments and observations from my colleagues on this matter. I am also including other summary data developed from the public works program that might also be of interest to my colleagues:

SUMMARY DATA FOR LPW

Project volume	Number of projects	LPW dollars
Selected projects	1,988	\$1,955,406,642 (Average dollar size) (983,605)
Nonselected projects which were scored	19,768	17,958,879,793
Total	21,756	19,914,286,435

Project volume	Number of projects	LPW dollars
Economic distress factors for the selected projects:	Average	Median
Unemployment rate (percent) ¹	12.29	9.30
Number of unemployed in project area	38,239	6,810
Per capita income	\$3,232	\$3,379
Labor intensity (percent)	41.89	40.35
Estimated total number of jobs on selected projects as estimated by the applicants	141,882	
	Number of projects (percent)	LPW dollars (percent)
SMSA/non-SMSA breakdown of selected projects:		
SMSA ²	54	65
Non-SMSA	46	35

¹ Average unemployment rate for 70-percent areas is 14.9 percent and 7.27 percent for the 30 percent areas.
² 67 percent of LPW dollars placed in SMSAs are the projects for which cities were applicants.

SCORED SELECTED LPW PROJECTS

Project type	Number of projects	Percent of total	LPW funds	Percent of total
Public safety	133	6.7	97,691,176	5.0
Hospitals	49	2.5	62,365,658	3.2
Schools	268	13.5	372,846,575	19.1
Recreational buildings and parks	94	4.7	78,771,824	4.0
Other public buildings	469	23.6	481,112,645	24.6
Industrial development	47	2.3	50,225,560	2.6
Miscellaneous or multiple buildings	88	4.4	91,378,624	4.7
Water/sewer/drainage	475	23.9	405,664,549	20.7
Streets/roads/bridges	224	11.3	179,228,619	9.2
Miscellaneous or multiple civil works	123	6.2	119,354,303	6.1
Miscellaneous or multiple facilities not elsewhere classified	18	.9	16,767,109	.8
Total	1,988	100.0	1,955,406,642	100.0

SCORED NONSELECTED LPW PROJECTS

Project type	Number of projects	Percent of total	LPW funds	Percent of total
Public safety	896	4.5	697,824,309	3.9
Hospitals	400	2.2	471,491,081	2.6
Schools	2,650	13.4	3,397,781,068	18.9
Recreational buildings and parks	1,930	9.8	1,515,343,082	8.4
Other public buildings	3,446	17.4	3,113,115,999	17.3
Industrial development	398	2.0	414,789,476	2.3
Miscellaneous or multiple buildings	792	4.0	658,881,512	3.6
Water/sewer/drainage	4,522	22.9	3,963,692,655	22.0
Streets/roads/bridges	2,825	14.3	2,044,356,976	11.4
Miscellaneous or multiple civil works	1,312	6.6	1,194,981,557	6.6
Miscellaneous or multiple facilities not elsewhere classified	597	3.0	486,612,178	2.7
Total	19,768	100.0	17,958,879,793	100.0

LPW PROJECT CLASSIFICATIONS

Public safety facility: Includes police stations, fire stations, rescue stations, jails, prisons, and detention facilities.

Hospitals: Includes hospitals, clinics, nursing homes, health centers, sanatoria, etc.

Schools: Includes schools and other learning and/or training facilities.

Recreational buildings and parks: Includes arenas, stadiums, auditoriums, gymnasia, swimming pools, other recreational buildings, park development, etc.

Other public buildings: Includes municipal office buildings, town halls, courthouses, multifunction municipal office buildings, community centers, social service centers, libraries, museums, cultural centers, terminal buildings (air, water, or rail), garages, parking structures, historic buildings, etc.

Industrial development: Includes factories, canneries, processing plants, shell buildings, warehouses, marketing facilities, port or harbor facilities, aquaculture facilities, industrial or commercial site development, etc.

Miscellaneous or multiple buildings: Includes projects involving more than one type of structure and buildings not classified above, e.g., electric power plants, dwelling units (houses and apartments), etc.

Water/sewer/drainage: Includes water and sewer lines and systems, water source development (excluding dams), storm drains, drainage ditches, canals, aqueducts, etc.

Streets/roads/bridges: Includes streets, roads, highways, sidewalks, curbs, gutters, bridges, parking lots, etc.

Multiple or miscellaneous civil works facilities: Includes projects involving more than one type of civil works facility and facilities not classifiable under one of the preceding two categories, e.g., dams, fences, etc.

Multiple or miscellaneous projects not elsewhere classified: Includes projects involving

more than one class of activity, e.g., buildings and utilities and projects not classifiable into one of the above categories, e.g., right-of-way clearance, landscaping, Indian Action Teams, etc.

Mr. MINISH. Mr. Speaker, I want to commend the gentleman from New York (Mr. CONABLE) for scheduling this special order today to discuss the Public Works Employment Act.

I share, with the gentleman and others who have spoken, serious misgivings about the manner in which this most important program has been administered by the Economic Development Administration.

First, however, let me make it clear that I support the basic goals of the program as passed by Congress last year: to reduce our tragically high jobless rate by putting people to work in useful public works positions. In fact, I cosponsored that legislation and have also joined in sponsorship of the bill introduced last week to increase the funding available for this program. However, EDA's handling of the program clearly leaves much to be desired.

While a small number of worthwhile projects were funded by EDA in the northern New Jersey metropolitan area, many more well-qualified and deserving applications were rejected in apparent disregard of the selection criteria specified by the Congress.

The law directs the Economic Development Administration to give priority to areas of high unemployment. Essex County, N.J., and the surrounding coun-

ties have a jobless rate in excess of 10 percent even excluding the very high rate of the city of Newark. Furthermore, this grave situation has prevailed for a great number of years.

It is therefore incredible to me that so few applications from suburban Essex and other nearby counties were approved. If the bureaucrats in EDA were really living within the intent of the law as written by Congress, it is apparent that a great deal more money would have been accorded to this area.

I urge the House Public Works Committee, which shortly will be examining this program and the legislation to increase its funding, to give the highest priority to a thorough reexamination of the language of the statute in order to remove any flexibility which presently exists for EDA to interpret the law to the detriment of deserving communities.

Mr. McCLORY. Mr. Speaker, I am pleased to take part in this discussion initiated by the distinguished gentleman from New York (Mr. CONABLE).

Mr. Speaker, I take these few moments to express the view that the Economic Development Administration—EDA—did an excellent job of administering the public works employment program funding. They followed the letter of the law and the intent of Congress by using a well-considered formula of criteria in scoring and making their selections. I worked closely with EDA in supporting projects for my district and was amazed at the remarkable courtesy and efficiency

they continually displayed considering the tremendous time pressure under which they were working. In fact, would that all agencies of the bureaucracy did half as well.

I will try to explain some of the problems they faced.

It was the intent of Congress to show that a Government agency can act quickly and that it does not take 2 or 3 years from the date of application for funded projects to get underway. For that reason Congress mandated that the projects be selected within 60 days and be underway within 90 days, giving a time period of approximately 5 months between submission of applications and the beginning of actual work on the projects—an unprecedented feat.

The EDA, with only approximately 750 employees, has proved that projects can be selected in a short period of time. However, given this time pressure they were forced to use a point system rather than judgmental evaluation in selection of projects to be funded. I have been assured by EDA officials that had they had more time in which to make selections they could have done an even better job.

Other problems were caused by the 70-30 ratio. I understand that with the best of intentions Congress mandated that 70 percent of the money go to areas with unemployment rates above the national average and 30 percent go to areas at or below the national average of unemployment. However, this meant that some projects in the 70-percent areas which scored higher could not be funded because a certain amount had to be reserved for the 30 percent areas.

Also, according to the intent of Congress EDA had to be careful not to have undue concentration of funds. For instance, if there had been no restrictions all of the available money could have gone to a single city or one area within a State. In order to prevent this and to insure that some money went to rural areas, EDA compared projects within a geographical area of a State and selected the top scoring projects until the percentage of money allowed for that area had been exhausted. The result was that a number of excellent projects were not selected simply because they may have scored one or two points lower than the few projects which could be funded in that area.

I hope this brief description of the magnitude of the problems faced by EDA, a very small agency, will convince you, as it does me, that the Economic Development Administration did a magnificent job in administering this program according to the mandate of Congress.

With this in mind, and considering that if there is any fault with this program it lies in the difference between the demand for the money and the supply of money as well as the excessive speed with which the EDA was required to carry out the program, I urge that at least some additional funding may be set aside for a continuation of the public works employment program. This is one way in which a Federal program may help over-

come unemployment and give a boost to the economy.

Mr. Speaker, within the limits of its authority and resources the Assistant Secretary of Commerce for Economic Development, John W. Eden, and his associates at EDA have performed an urgent and demanding task in a most commendable manner.

Mr. MOTT. Mr. Speaker, I wish to join with the gentleman from New York (Mr. CONABLE) in expressing my distress over the grant announcements made by the Economic Development Administration under the Public Works Employment Act of 1976.

Title I of the Public Works Employment Act was clearly intended to provide assistance to State and local governments in alleviating high unemployment. Yet, the areas of highest unemployment in the State of Ohio, and the most populous areas, received only a small fraction of the grants announced by the EDA. The Northeast Ohio Area-wide Coordinating Agency and numerous public officials have publicly protested the pattern of distribution of these funds.

Forty-eight Members of Congress, including myself, have requested an immediate investigation of the entire process of allocating these funds by the Comptroller General. I feel it would appropriate to fully review the present program before plunging ahead with an extension of the Public Works Employment Act.

Mr. MITCHELL of New York. Mr. Speaker, I welcome the opportunity to participate in this special order because I share your interest in the important subject under discussion. I have devoted a considerable amount of time to a study of this matter and have put together a special report which I am making available to local government officials, the media and other interested parties in an effort to bring the people I represent up to date on developments.

PUBLIC WORKS EMPLOYMENT ACT OF 1976:
FUNDING UNDER TITLE I, A SPECIAL REPORT
BY REPRESENTATIVE DONALD J. MITCHELL

The widespread dissatisfaction with the designation of projects for funding under title I of the Public Works Employment Act of 1976 prompts this special report. I thought you might want a status report on where we are and where we are likely to be going with this program as it relates to our area.

Here is the situation as I see it.

A majority of Congressmen are unhappy. As soon as the December 23d Federal Register containing the Economic Development Administration's list of "proposed projects selected for funding" was published there was what could best be described as a national uproar.

Colleagues from across the country—senior members and freshmen, Republican and Democrat alike—joined me in complaining about the unfair and inequitable distribution of funds. The National League of Cities put out a strong statement of disapproval. Mayors from cities of high unemployment, including Jersey City, 11.04 percent;

Miami, 12.1 percent; San Juan, 13.9 percent; Sacramento, 10.3 percent; and Pittsburgh, 9.1 percent, protested and with good reason. They got nothing.

Closer to home, our fate was similar. Not a penny of the millions reserved for areas with an unemployment rate above the national average was approved for the depressed Mohawk Valley area.¹ Our neighbors to the east and west, Albany and Syracuse, also drew a blank. They got nothing.

Under provisions of the act reserving funds for areas with an unemployment rate between 6.5 percent and the national average, we came out in better shape. Four separate projects totaling nearly \$2 million were approved for a new Herkimer County Jail, an addition to the Otsego County Jail, a new fire hall for the town of Dukanesburg in Schenectady County and an addition to the Worcester Central School in Otsego County.

But of the 70 percent of the act's allocation for areas with an unemployment rate higher than the national average, we did not get one project.²

A lot of questions are being asked in an effort to determine the "why?" After all, the legislation was designed to pump dollars for worthy public works projects into areas of high unemployment—like ours—to create jobs immediately. How could there be so many voids all across the country? In Rome, Utica and Johnstown-Gloversville? In Jersey City and Pittsburgh? Even in the President's home town, Grand Rapids, Mich.? All with unemployment rates above the national average.

My immediate reaction on December 23d was to call for a halt to the further processing of all applications until we could get some answers. I took several actions on that date. A telegram was dispatched—after repeated telephone calls got a busy signal—to Assistant Secretary of Commerce John Eden requesting the processing halt pending the completion of an immediate investigation by the House and Senate committees having jurisdiction over the program's authorization. I asked for that investigation in telegrams sent to the chairmen of the committees.

I then contacted the General Accounting Office, the investigative arm of Congress, to request an independent audit of the procedures used by EDA to select projects for funding.

The next day I sent a letter to every Member of the House and Senate outlining my dissatisfaction with the program, reporting on the steps I had taken and enlisting additional support for the cause. I received a number of favorable responses and quickly learned the dissatisfaction was widespread, prompting many of my colleagues to respond exactly as I did—calling for a halt in the program pending an investigation.

Additionally I called the White House to register my complaints. I talked with

¹Little Falls project not in original announcement. Our investigation uncovered error in EDA computation. EDA has acknowledged error and is taking corrective action.

the President's principal legislative liaison person and the Deputy Director of the Domestic Council—the Director was out of town attending a funeral.

At this point, grant announcements are being made daily. It looks like the House and Senate Public Works Committees will be conducting hearings, shortly and the GAO is trying to determine the direction it should take with the requested investigation. EDA, mandated by Congress to move within 60 days on project applications—our goal, you will remember, was to get this money working as soon as possible so there would not be any delays in the fight to reduce unemployment—is taking a lot of "heat" from the protestors but is nevertheless continuing on course.

My candid assessment is we—Congress, National League of Cities, mayors, et cetera—would not be able to alter the course significantly on what now looks like the first round of funding under this program. However, I am hopeful that if there is an extension of the act, with more money for more projects, the ground rules will be changed to guarantee a fairer, more equitable distribution of projects and dollars.

Though the intent of the act is noble, it is necessarily one of those Government programs that overpromises and underdelivers. In our district alone, it is estimated that applications totaling more than \$300 million were submitted. The entire State received an allocation of \$232.9 million, so in our area we applied for more funds than were available for the entire State. Our per capita share, 1/39th of New York State, would total nearly \$6 million. If we had been awarded grants totaling \$6 million—even \$10 million—97 percent of our congressional district applicants would have been unsuccessful and disappointed. Even with a \$2 billion extension of the program and even if we got \$10 million the vast majority of our applications would still be unfunded.

There should be a better method for early screening so false hopes are not raised.

The House majority leader has already announced his plan to push for an extension of the act and he claims President-elect Carter will be supportive. The majority leader, Representative JIM WRIGHT of Texas, is also dissatisfied with the first round distribution but he had what appears to be the majority of House Members are concentrating on a distribution formula for future funds rather than a redistribution of existing funds under the 70-percent allocation reserved for projects in areas with unemployment above the national average.

I have already advised Majority Leader WRIGHT of my willingness to help in the development of an extended program providing we can guarantee a fair and equitable distribution formula. I have also indicated my strong support for closing the door on any new applications. It is my view that any second round of funding should be reserved for

those unfunded applications now on file, and there are plenty of them from our 31st District.

My further belief is that 100 percent of the funding—not just 70 percent as in the current bill—should be devoted to projects in areas with an unemployment rate above the national average.

Right now it looks like committee hearings will commence later this month with every expectation we will have a bill on the floor for a vote in February. If all goes according to some predictions, from the majority leader and others who are in a position to influence the flow of legislation, there is a possibility a second round of funding could come as early as March.

Some people are wondering why so many Congressmen are complaining about a program they voted for.

It is not unheard of to complain about the administration of a bill. On occasion agencies fail to live up to our expectations, as is the case with the Public Works Employment Act. With grant programs, Congress outlines its goals, establishes its intent and then gives to the agency having jurisdiction for the program the authority to establish the guidelines for implementing the program. In this instance, the agency did a very poor job. It happens. The formula proposed for implementing the legislation and ranking the project applications appeared sound. It included the following factors: unemployment in numbers, unemployment rate, per capita income in project area, labor intensity of the project, long range value of the project, whether or not the proposed project was included in an area's overall economic development plan and the nature of the applicant—general purpose unit of Government or special purpose unit of Government.

EDA was given one other important tool to build a sensible program: discretionary authority. The Assistant Secretary was given this authority to prevent what Congress termed "an undue concentration of grants" in any one area. In short, we told the Secretary to use sound judgment and here is where I feel the letdown came.

I do not want to perpetuate the old upstate versus New York City battle because I think that is counterproductive as far as the entire State is concerned. Nevertheless, I must say there is no way a program can be termed fair and equitable that grants 51 separate projects costing more than \$102 million to New York City and none to the depressed Mohawk Valley.¹ The Secretary should have made better use of his discretionary authority.

Of course New York City has a monumental problem with unemployment and needs help. But we also have a serious

¹ Little Falls project not in original announcement. Our investigation uncovered error in EDA computation. EDA has acknowledged error and is taking corrective action.

problem. We need help too. It seems to me the proper use of discretion would have resulted in a fairer distribution of projects for New York City and the upstate area.

In summary, although the first round of funding found us on the outside looking in with the 70-percent funds, there is still hope for a few of the projects from our district. It is an almost certainty there will be another round, one that will assure a fairer, more equitable distribution of funds.

A summary follows:

SUMMARY

Title I Public Works Employment Act of 1976
\$2 billion allocated nationally . . . \$10 million for administration, \$1,990 million for grants.

\$232.9 million allocated to New York State.
New York has 8.9 percent of the nation's population.

New York has 9.9 percent of the nation's unemployed.

New York got 11.7 percent of the nation's funds under Title I.

70 percent of New York's allocation (\$163 million) mandated by law to go to areas with an unemployment rate above the national average for April–May–June '76 (7.5 percent).

30 percent of New York's allocation (\$69.9 million) mandated by law to go to areas with an unemployment rate between 6.5 percent and the national average.

1,379 applications from New York ranked under the 70 percent category.

106 of these applications were approved.
7.7 percent approval rate.

Average project cost: \$1,537,100.

31st District got one project: Little Falls (downtown development) \$885,000.

261 applications from New York ranked under the 30 percent category.

75 of these applications were approved.
28.7 percent approval rate.

Average project cost: \$931,600.

31st District got four projects:

Herkimer County (new jail) -----	\$1,082,305
Duanesburg, Schenectady County (new fire hall) -----	387,000
Otsego County (additions and improvements to jail) -----	247,640
Worcester Central School, Otsego County (addition) -----	236,990

\$1,953,935

Total District (5 projects) - \$2,838,935

From our 31st District we had: 86 ranked applications (\$90,311,231 in projects) in 70 percent category; 4 ranked applications (\$7,953,935 in projects) in 30 percent category.

Many more applications were submitted but were rejected for one reason or another and therefore were not ranked.

Ranking Formula (120 points maximum)

30 points—Number of unemployed (absolute numbers).

25 points—Rate of Unemployed (percentage).

30 points—Labor intensity (relation of total labor costs to total project costs, high labor costs got higher points).

15 points—Per capita income in project area.

10 points—Long term benefit of project.

5 points—Inclusion in approved Overall Economic Development Plan.

5 points—If applicant general purpose unit of government (city, county, etc.).

3 points—If applicant special purpose unit of government (agencies, etc.).

relative unemployment rate. I envisioned major urban areas, with high density unemployment, ranking consistently higher than rural areas where, while the density of unemployment may not be as great, the rates in many cases are higher and the absolute number of unemployed over a larger area may be as great or greater than the urban areas.

In each case—during the hearing, in private conversation with Mr. Eden and his staff, and in response to my letter—I was assured that the logarithmic formula designed by EDA would make possible equitable competition among project areas of all sizes and compositions. I was told that the logarithmic computation of absolute unemployment numbers would enable rural areas to compete for funding on an equal footing with high density areas.

I was skeptical, and continued my assault on the likelihood that the EDA formula would insure equitable competition between rural and urban areas. The assurances I received from EDA were persistent and intense. Then, the final selection list that appeared in the December 23, 1976, Federal Register proved conclusively that my concerns were well founded, and the constant assurances I received from EDA were hollow.

In the Commonwealth of Pennsylvania, for example, where nearly \$83 million was allocated to 68 project applicants, over \$60 million went to 49 applicants in areas that are urban in socioeconomic characteristics, while only 19 applicants in rural areas received \$22.7 million in title I designations.

While defenders of the logarithmic formula might argue that the major urban areas received their fair share in terms of the proportion of absolute numbers of unemployed in those areas to State totals, I contend that the inequity lies not in what the urban areas received, but in what the rural areas, with comparable unemployment, rate, and labor force figures, did not receive. In many cases, projects in the peripheral areas around urban centers received grant approvals because, by nature of their political distinction, they were not construed to be part of the urban center to which they are inextricably married by socioeconomic factors.

To illustrate this point, I selected 12 nonurban—rural and small town/city—political subdivisions in Pennsylvania as identified in the Department of Commerce's October 18, 1976, CETA unemployment listing. For purposes of this illustration, I shall refer to this grouping as the "rural sample," but it should be understood that the sample includes such urban areas as the cities of Altoona and York, and the portion of Cumberland County comprising suburban Harrisburg. The unemployment rate, absolute members of unemployed, and labor force totals for the rural sample are in every way comparable to the cities of Pittsburgh and Philadelphia, but that comparability ends there. It does not extend to equal treatment in the allocation of funds under the so-called jobs bill, as the following table clearly illustrates:

Area	Unemployment rate	Number of unemployed	Labor force	Number of selected projects	Total project cost
Philadelphia	9.29	65,424	704,169	7	\$12,942,923
Percent of State		16.5	13.8	10.3	15.6
Pittsburgh (including Allegheny County)	7.16	45,532	635,645	14	11,017,055
Percent of State		11.5	12.5	20.6	13.3
Rural sample	7.39	51,079	690,482	4	5,779,940
Percent of State		12.9	13.6	5.9	6.9
State	7.77	394,527	5,075,366	68	82,879,610
Rural (27 percent)				19	22,735,369
Urban (73 percent)				49	60,144,241

Despite the fact that the rural sample resembles Pittsburgh and Philadelphia in every economic factor, it will receive roughly half the title I benefits. Why? Because the area is primarily a low-density area that, when viewed in terms of individual political subdivisions, cannot compete with the high-density absolute unemployment figures of Pittsburgh and Philadelphia. The formula so highly touted by EDA failed miserably in living up to its advance billing as the great balancer between rural and urban areas—just as I predicted it would.

Sure, it is easy to rationalize the formula. It is easy to say that it is the best that could be had under the circumstances and with the severe time constraints imposed by the Congress. But that just does not cut it!

This program, as clearly stated in hearings and floor debate, was established to put people back to work, particularly in the construction trades where the unemployment rates have been consistently double the national average. But it was not created as a panacea for our Nation's urban ills at the expense of the jobless in rural America, as it turned out. Mr. Speaker, the hard working taxpayers of rural America have to eat, too—and most of them do not have the benefit of fat welfare programs that are so prevalent in our Nation's big cities.

Title I has clearly not met the objectives established by Congress; it is a blatant injustice to rural Americans and must be corrected. I do not have a magic formula, Mr. Speaker, but neither do I go around professing to have one. Instead of going ahead with a program destined for failure—and, indeed, considering expanding it—we should take a deep breath, look long and hard at the formula, and come up with a plan that will keep faith with the congressional mandate and serve in the best interests of all Americans, not just those who choose to live in big cities.

Mr. LUNDINE. Mr. Speaker, I have real concerns about the present implementation of the 1976 local public works and capital investment program. In my own congressional district, the program has been administered in such a way as to discriminate against the areas with the highest degree of unemployment. Three of the four projects which received approval were in areas in which unemployment is lower than the national average. These communities were able to compete successfully for the 30 percent of funds allocated for such situations. No grant was made to any community in which unemployment is higher than the national average, although many

such communities applied. The remaining grant was to the Seneca Indian Nation, which is a special situation.

My congressional district, in the southwestern corner of New York State, is located in the Appalachian region. We have many small towns and cities with severe economic problems. These communities badly need economic and technical assistance from the Federal Government, but they were unable to compete for public works grants with more densely populated areas of New York State under the Economic Development Administration's criteria, which gave additional weighting to absolute numbers of unemployed.

I know it was not the intent of the 94th Congress to discriminate against rural areas and small cities with high unemployment. I understand the need to employ as soon as possible large numbers of people, particularly in the depressed construction industry. But I have serious reservations about a public works program which has the effect of discriminating against districts like the one I represent.

I include in the RECORD at this point a letter to Secretary Elliot Richardson expressing my disappointment with the implementation by the Department of Commerce of the local capital public works and investment program:

HOUSE OF REPRESENTATIVES,
Washington, D.C., December 29, 1976.
HON. ELLIOT L. RICHARDSON,
Secretary of Commerce, U.S. Department of
Commerce, Washington, D.C.

DEAR SECRETARY RICHARDSON: I was very disappointed in the proposed allocation of the Local Capital Public Works and Investment Program funds announced by the Department of Commerce last week. The formula used to determine value of specific projects became grossly unfair when applied to smaller communities in areas of high unemployment.

The outcome of the selection process published by the Economic Development Administration on December 23 creates a clear anomaly. It could not have been anyone's intention, least of all that of the program's Congressional authors, that it should be easier to get approval for job-creating projects in areas of lower unemployment than in areas with more severe employment problems. The program as it is now being implemented discriminates against those areas which have the greatest need.

My Congressional District is essentially a five county area in upstate New York located in the Appalachia region. Using my own Congressional District as an example, we find that the program has in fact given areas of low unemployment a better chance to receive aid than the areas of high unemployment. Three of the four projects in my district which received approval on December 23 qualified under the 30 per cent funding for

areas of unemployment lower than the national average. The renovation of the railroad shops in Hornell, New York will create industrial space in a community which is severely depressed and the construction of a new high school in Elmira, New York will help to absorb some of the accelerated unemployment caused by the closing of the Westinghouse plant in that community. While the few projects approved in the 39th Congressional District were of significant merit, there are many equally worthy projects in areas with high unemployment.

Unemployment rates in the labor markets during periods defined for application purposes were below national unemployment rates for three successful applicants in my district. At the same time, the remaining basic labor markets which showed unemployment significantly higher than the national average were left without a single approved project, the only exception being the extraordinary circumstances of the Seneca Indian Nation with an unemployment rate of 60 per cent.

It is apparent that low unemployment rates led to approval for my district's few successful applicants and high unemployment led to rejection for nearly 200 funding requests submitted under the 70 per cent program. It is clear that the rural areas of high unemployment could not compete with the highly urbanized, metropolitan areas of New York State. I can only conclude that the EDA criteria, which gave undue weight to absolute numbers of unemployed, have effectively precluded any rural area of high unemployment from qualifying for this public works program.

This is an absurd result. To discriminate, in effect, against those rural areas with the greatest unemployment is contrary to the purpose of the program.

I urge that you correct this inequity prior to the termination of the existing program and make correction your first priority. Uncommitted allocations and second-approvals should give special emphasis to needy rural communities where no project was approved. It is within your authority as Secretary of Commerce to rectify this imbalance. I urge you to do so.

Sincerely,

STANLEY N. LUNDINE,
Member of Congress.

Mr. Speaker, I earnestly hope that the inequities in allocations under the current program can be rectified and that the Congress will take steps to assure that such a situation does not recur in the future.

Mr. LAFALCE. Mr. Speaker, I am joining today with a number of my colleagues to discuss the implementation of the Local Public Works Employment Act of 1976 because I firmly believe we can and should do better than we did last year in dealing with the Nation's serious unemployment problems.

Any program which has \$2 billion to distribute and applicants seeking \$24 billion is bound to cause disappointment. But this one was exceptional in that regard, for reasons which I attribute to the selection process used by the Economic Development Administration.

Yesterday I learned that the General Accounting Office will be looking into that process, seeking to determine exactly what EDA did, what it did not do, and why decisions were made in the way they were. Perhaps the result will help to explain some of the apparent inequities which took place in the distribution of the funds.

I also understand that the Economic Development Subcommittee of the Public Works and Transportation Committee will be holding hearings on possible extensions of this program in the near future, and I hope that the kind of questions which the GAO will be looking into will also be a major focus of the hearings.

These remarks are not intended, however, simply to criticize the past. I feel very strongly that the problems we have seen in the implementation of the program we created last year are ones from which we can learn. It is essential that we do so and that any public works legislation we enact this year seek to eliminate, or at least reduce significantly, those problems.

The goal of the program was to create jobs, particularly in the construction industry where unemployment in many areas, including my district in western New York, is far greater than in the work force as a whole. Jobs can come through a specific public works program like the one we enacted last year, but they could also come through a supplemental community development program, aimed at high unemployment areas, which is oriented toward physical development activities. Indeed, the leverage from that approach might be quite a bit higher than through a program like last year's, thus creating more jobs.

The program could be on a project-by-project basis, like last year's was. But it does not have to be. It could, instead, be on a formula basis, assuring every community with a given rate of unemployment that it would get at least some of the funds. We would have to stipulate that projects undertaken with funds allocated according to a formula would start quickly, would be labor intensive, and would be for physical development activities rather than public service jobs. But that can be handled, among other ways by making each community's plans subject to executive approval and monitoring. This approach would resolve the inequity problem and could be designed to provide proportionately more funds to those communities which have borne more than their fair share of the unemployment burden. It could recognize that local governments which have high rates of unemployment suffer themselves and deserve consideration in the allocation of the funds. Last year's program, whether or not intended, made no such recognition.

We are not limited to a choice among Federal agencies to administer a program of this kind. Last year, of course, we entrusted the implementation of the program exclusively to the Department of Commerce's Economic Development Administration. Perhaps we should give consideration to charging the President with administering the jobs program, permitting him to draw upon the expertise in all parts of the Government in distributing the funds in the most equitable and efficient way.

None of these options and ideas are necessarily the only way to proceed, nor the best way to proceed. All have good and bad points. But the main point, Mr. Speaker, is that they all warrant detailed

consideration before we proceed to authorize large public works program. We owe that to ourselves, but much more than that, we owe it to our local governments, to the millions of unemployed Americans, and to the taxpayers.

This week I prepared a column, which appears in 12 of the newspapers in my congressional district, giving my reaction to this very subject. At this time, Mr. Speaker, I would like to submit that column for the RECORD:

CONTROVERSY OVER PUBLIC WORKS

On January 4th the 95th Congress was sworn in, and on January 20th President-elect Carter will assume office. Our nation's well being and the hoped-for revival of our economy will depend, in part, on the quality of the decisions made by the Congress and the Administration, but perhaps more importantly, on the manner in which those decisions are implemented.

A recent example reflects this vividly. I refer to the allocation of funds under the \$2 billion local public works program. Here was a program which was created with excellent intentions, but which was not adequately thought through when enacted by Congress, and was then implemented sloppily, to put it in the most charitable terms.

Since serious consideration is being given to extending this program (or something similar) in the coming months, I'd like to review what transpired and reflect on options for the future.

The 1976 public works program was enacted in order to put construction workers back on the job—a laudable goal which I wholeheartedly support, inasmuch as that industry has borne far more than its fair share of the unemployment burdens.

But inadequate attention was paid to the way in which the funds would be distributed. In effect, Congress gave the Department of Commerce's Economic Development Administration a blank check for \$2 billion and told EDA to distribute the funds, something the EDA did under very vague guidelines, and with the assistance of an "all-knowing" computer.

The EDA is an undermanned agency which has suffered from a number of attempts by the Nixon and Ford Administrations to eliminate it. It was hardly in a position to make detailed judgements about proposed public works projects throughout the country, priority decisions which are far better left to local governments in any event. This was a point I raised on the floor of the House during debate on the bill. And as I recall, I was alone in worrying about the ability of EDA to handle the distribution equitably.

From the perspective of unemployed construction workers in Western New York, the system worked reasonably well. The State's total allocation of \$232 million, if divided equally into the 39 congressional districts in New York, would have resulted in an average of under \$6 million per district. That is what we could have reasonably expected to receive. In fact, our congressional district received nearly double that.

But our success was overshadowed by the implementation of the program. The needs, as expressed in the volume of applications, far exceeded the available funds. Nationally, it was 12 times greater; in Western New York, the ratio was even higher.

In short, the dynamics of the program resulted in a situation where 1 out of every 12 applicants was pleased, and 11 out of every 12 applicants were guaranteed to be disappointed.

I pointed this out to the applicants in our district prior to the announcement of the projects selected for funding. And previously, I had written and called the EDA urging a change in the regulations in favor of a

more equitable distribution system. But still, the public works program was in trouble, for overly-optimistic. Despite my effort to warn the applicants, I have heard from many of them and their messages have ranged from disappointment (which I understand and share) to irresponsible accusation of neglect and punishment.

From the perspective of our total district, we did quite well. But naturally, given the 1 out of 12 ratio, most applicants were disappointed and they are expressing it loudly. Interestingly, my conversations with Congressmen from all over the country indicate that almost none did as well as we. For example, over one-half of those cities in the entire United States with populations over 100,000 received no money.

It's also interesting to note the various charges that are being leveled. Small communities are claiming that big cities got all the money; and the League of Cities is claiming that small communities got the bulk of the funds.

While no Congressmen were involved in the EDA's selection of projects to be assisted under this program, I fully understand and sympathize with the expressions of disappointment from communities which were not on the list of those selected. But it does little good to yell or shout about our disappointment willy-nilly; it does little good to ignorantly and falsely assess blame especially when there is no merit whatsoever to such accusations. It does great good, however, to ask questions about the EDA formula and decisionmaking process, for this allocation process must be rectified if additional economic stimulation through public works is going to be considered. We are seeking answers in this area. Along with a number of other Congressmen I am requesting that the General Accounting Office conduct an investigation of the methods which EDA used in the allocation process.

In addition, last year I sponsored an alternative to the public works program—one which would have directed the funds on a formula basis to each and every community with unemployment at a rate of 8 percent or more, the very communities that need assistance the most. They would have all received a fair share of the funding, and spending decisions and priorities would have been made by local officials.

That proposal passed the House of Representatives in 1976 and was dropped by a margin of only one vote in the Conference Committee with the Senate. In my judgment, it remains a far better approach. I intend to revise it and reintroduce it this year, in hopes that the concepts of formula funding and local decisionmaking will be incorporated in any new public works or community development jobs program.

With those concepts, the kind of rancor and disappointment we have seen in the past few weeks could have been avoided. We should learn from the mistakes of the past, and I intend to do all I can to point out those mistakes—both legislative and administrative—and help find better, wiser methods for our economic future.

Mr. BAFALIS. Mr. Speaker, my colleagues in the Congress know me as a strong fiscal conservative. I am an advocate of a balanced Federal budget and have consistently opposed massive Federal spending programs that only further add to the debt we are now carrying.

Usually, I would have opposed a program with a price tag of the public works jobs bill without a second thought. However, after careful study, I determined that the purpose of the bill—to put people in areas of high unemployment back to work in building projects that are direly needed by local governments—

justified the price tag. I joined in support of this spending bill because I felt its purpose was a good one and that the tax dollars involved would be well spent for needed public projects.

So now, after the implementation of this legislation, where are we? A quick survey of some facts as they relate to Florida might help us get a better view of how far the implementation of this legislation has strayed from its original intent.

The State of Florida was allocated \$135 million under this program. Applications were made by over 1,000 local and county government units for participation in the program knowing full well that the main criteria was the unemployment level in the areas involved.

So let's look at the final determinations of the Economic Development Administration to see how our legislation was handled.

We see that Leon County-Tallahassee was given a \$3.2 million grant to build a civic center.

We see that the city of Gainesville was approved for three separate projects totaling \$3.9 million.

And we see that of the 13 full counties in my congressional district, only two received moneys—Lee and Osceola. With over 10 percent of the State's population, we received less than 4 percent of the moneys involved.

All well and good, you might say, since each application was considered on the same scale with the unemployment in the area being the overriding consideration.

Not so if one takes the time to research the facts in the matter.

In applying for this program, the local governments were to use their unemployment figures for the months of May, June, and July of 1976. The figures I will cite are not seasonally adjusted.

Upon checking with the Department of Labor, I found that the unemployment statistics for Leon County were as follows: May, 4.4 percent; June, 5.5 percent; July, 5.3 percent.

The Department of Labor gave me the following statistics for Alachua County, where Gainesville is located: May, 6.9 percent; June, 7 percent; July, 6.7 percent.

Now let us see how these compare with some of the counties in my district which applied for funds and were turned down since their applications apparently did not exhibit as strong a need as Leon and Allachua.

St. Lucie County reported statistics as follows: May, 11.4 percent; June, 13 percent; July, 12.9 percent.

Collier County figures according to the Department of Labor were: May, 11.4 percent; June, 13.2 percent; July, 13.3 percent.

Indian River County figures as recorded at Labor were as follows: May, 9 percent; June, 12.4 percent; July, 13.4 percent.

Now let us compare all these to the national figures for the same three months: May, 6.7 percent; June, 8 percent; July, 7.8 percent.

One does not have to be a mathematician to see that something is terribly wrong.

For example, at no time did the unemployment rate in Leon County exceed the national average—in fact, it was at least 2 percent lower or 30 percent under the national average.

Only 1 month found Allachua County exceeding the national average and then by only 2 percent. The other months found Allachua far below the national averages.

On the other hand, several of the figures from my district were twice the national average. Obviously there was severe unemployment in these areas and a dire need to get people back to work. But their applications were not approved.

However, the fine formula used by EDA to implement our emergency public works jobs program apparently overlooked this major factor.

Please do not feel that this is sour grapes. If we had enacted a program that gave each county in the Nation a chance to compete for Federal moneys for much needed public works projects, I would say more power to Leon and Allachua.

But that was not the program we enacted and I can guarantee you that a vast number of the Congressmen and women who supported this employment legislation would not have supported a massive Federal giveaway. We simply do not have the moneys available to justify it. But if it was getting people back to work, that is another story.

I am sure that other Congressmen can tell similar stories. Something has to be done. I, for one, cannot support any type of extension of this program if this is the way the agency is going to overlook congressional intent.

And, I, for one, think that a thorough investigation of the procedures and final determinations by the EDA must be conducted before any of these moneys are allocated to the governments involved.

We must act now to protect the congressional intent of this major spending program.

Mr. YOUNG of Florida. Mr. Speaker, I am pleased to join my colleague from New York (Mr. CONABLE) in suggesting to you that the Public Works Capital Development and Investment Act appears to have created an extremely inequitable situation for communities such as those in my district of Florida. Communities in Florida with high unemployment rates did not receive adequate relief, while communities in other parts of Florida, with unemployment rates below the national average seem to have done very well.

The injustice was caused by legislation enacted by the Congress, which provided that 70 percent of the money available would go to areas where unemployment was above the national average, while 30 percent would be reserved for those areas with unemployment rates below the national average. More communities applied for funds in the first category, and according to Economic Development Administration figures, only 9 percent of the Florida projects in this category were approved. The applications for funds in the second category were far lighter, and 66 percent of those applications won approval.

The situation was so inequitable that

it appears that one of the communities in my county would have been better off by exercising the option of using its own unemployment rate, which is below the national average, rather than the county rate which is above. The city of Clearwater received none of the money that it applied for using the higher rate. However, had Clearwater used its city unemployment rate, it would have fallen into the 30 percent category, and according to information provided by EDA, probably would have received enough money for all or most of its projects.

I have been informed today, by the distinguished Speaker, Mr. O'NEILL, that he has been in contact with the members of the Public Works Committee, and that he has been assured that that committee, in any program to disburse additional funds under the Public Works Capital Development and Investment Act, will rewrite the formula so as to assure greater distribution to areas of higher unemployment.

Mr. BENJAMIN. Mr. Speaker, I wish to commend my colleague from New York for bringing the problem of nullification of congressional intent by agency creation of rules and regulations to the House's attention.

It appears, from the discussion I have had with the officials of the communities I represent, along with the remarks made in this Chamber today, that the rules and regulations promulgated by the Economic Development Administration for the implementation of the Local Public Works Capital Development and Investment Act of 1976, have failed in several respects to carry out the intent of the Congress in passing that act. These failures are:

First, the definition of project areas and the time continuum for obtaining funds under the act are overly broad and have led to the manipulation of statistics by certain communities in order to obtain grants even though others may be in greater need. This has caused a situation to develop in which one community will make multiple applications using different data in each, depending on which set of figures seems to be of greatest use to them at the moment.

Second, the criterion for State allocations also allowed for wide discretion in the funding levels per State.

Third, the Administration appeared to pay little heed to the order of priorities set by local officials.

Fourth, because of the ability to manipulate project areas, municipalities which I would term "intermediate in size" were caught in trying to decide whether to concentrate on obtaining a 70- or 30-percent fund.

Fifth, local officials were embittered because of the lack of uniform standards and were distressed by regulations which were overly broad and vague.

In considering any new spending proposals under the act, the Congress must examine, in detail, the rules and regulations promulgated by the Economic Development Administration. It must make the necessary changes in order that the problems I and others have described, are not repeated in the future.

Too often, Congress has abdicated its legislative function to a particular agency, only to have the intent of its action later nullified.

We must not allow this to happen again, especially when we are addressing ourselves to the matter of unemployment.

We must insure that the purpose behind the act, the creation of needed employment coupled with the improvement of the capital facilities of our various communities is carried out pursuant to the intent of Congress without modification by the Economic Development Administration.

I have indicated to the distinguished majority leader that I will cosponsor one of the bills increasing the authorization of the 1976 act to \$6 billion. I have determined that the increased authorization and subsequent appropriation is not only vital to the Nation's economy, but is crucial to the State of Indiana and my district. The unemployed and underemployed citizens of the First District and I call upon my colleagues to consider the foregoing instructional views along with the concerns expressed by others today to make the Local Public Works Capital Development and Investment Act of 1976, a viable economic tool for its immediate favorable economic impact as well as for the needed capital improvements indispensable to the future of our great country. I, for one, stand ready to assist in this important effort.

Mr. RINALDO. Mr. Speaker, public works funding has proved its worth as a fast and effective way to stimulate the Nation's economy. The allocation last month of \$2 billion in grants under the Public Works Employment Act of 1976 will be translated within a matter of months into hundreds of thousands of new jobs. Americans in high unemployment areas will be taken off the jobless rolls and put to work as tax-producing citizens. In turn, the whole economy, locally and nationally, will benefit.

But we have seen, Mr. Speaker, that there are a great many more valid public works programs on the books than could be funded through the \$2 billion authorization. In fact, 25,000 applications for a total of \$24 billion were submitted.

Many badly needed programs that would be of lasting value narrowly missed qualifying for grants. By making an additional \$4 billion available, as proposed in a bill sponsored by my colleague from New Jersey, Congress would provide one of the swiftest economic stimulants possible. As a cosponsor of this bill, I urge its early enactment into law.

Any extension or expansion of the public works program must recognize from our recent experience the evident need for revision in the manner and regulations governing these grants.

In particular, too little time was provided for the application and award process. Many local governmental units submitted applications as soon as applications were being accepted in the hope that any technical deficiencies could be corrected, and applications could be resubmitted within the deadline. I know of several instances in which communities did resubmit applications,

with deficiencies corrected, only to be rejected on or near the deadline—and too late for resubmission—for deficiencies which were not noted earlier.

Also, in the application process the use of unemployment figures by applicants was not consistent, and the regulations themselves contributed to this inconsistency. Other than for CETA areas, local governments could state the rate of unemployment in an area "without regard to political or other subdivisions or boundaries," and use unemployment figures from adjoining areas from which the labor force might be drawn. In many instances, this created unrealistic unemployment figures and made it seemingly impossible to rate fairly the true priority of an application. Any reauthorization of the public works program demands that program regulations clearly specify the area from which unemployment figures may be drawn.

These problems are correctable and should neither detract us from the intent of the program to provide jobs, nor deter us from extending the program. However, these and other problems must be corrected if we are to distribute public works funds fairly and equitably.

Mr. DON H. CLAUSEN. Mr. Speaker, one of the first priorities of the 95th Congress will be to study the Public Works Employment Act and in all likelihood legislation will be enacted to provide additional funds for title I of the Local Public Works Capital Development and Investment Act.

I supported this program making \$2 billion available to States and local communities for the construction of public facilities. I have cosponsored legislation to provide additional funds for public works projects. However, I believe it is important in considering new legislation to apply the lessons which are now apparent from the selection process and make legislative changes to strengthen this program.

Certainly we are all concerned about the high rate of unemployment and the fact that the Economic Development Administration received applications totaling more than 12 times the funds which were available. This indicates that there is sufficient needs for funds to construct facilities within local communities. I firmly believe that the \$2 billion which was initially made available for this program can have a positive impact on creating jobs since in the private sector many outside private construction and building firms will be contracted to do the actual building. In addition, facilities will be placed in the community that can be of benefit for years to come.

However, I am genuinely concerned about some of the problems which were exhibited in the first round of funding. First of all, the statutory limit of a 70/30 funding split resulted in a number of inequities in actual practice. In the 70-percent category, those areas having unemployment in excess of the national average, more than 17,000 applications were received. This meant that only a small percentage of projects could be selected, regardless of the merit of the facility. Because of this competition, most of the

projects that were selected were above the 10-percent unemployment level.

In the second category, those areas with unemployment below the national average, a much smaller number of applications was received although still four times as many applications as could be funded. Most of the projects selected from this category have unemployment rates of around 7 percent. This left a wide area having high unemployment between 7 percent and 10 percent that were virtually excluded.

I am also concerned about the labor intensity requirement which was one of the factors considered by EDA in its selection process. EDA has an outstanding record of providing economic development and stimulus—economic growth through inducing private industry to locate in a particular area. I think we can take some pride in the fact it has not been simply a leaf-raking agency. I want to make certain that this remains the case, and I feel it is questionable to place too much value simply on whether a project is labor intensive. There are other factors which must be examined.

Of most concern to me was the fact that both long term and short term unemployment in rural areas was not sufficiently covered by the provisions and criteria of the LPW program. I would hope that we could find a way to insure that our unemployment rural areas receive an adequate funding level to offset their unemployment problems.

In addition, there is a need to look at the time restraints imposed on EDA in making the project selection. Realistically we must deal with the complaint that public works projects sometimes have a time lag in creating jobs. It is necessary that we create jobs as quickly as possible but we should not become so consumed with meeting deadlines that we are unable to examine each project for its merits and the job creation impact.

I want to make clear that I mean these criticisms in no way to reflect unfavorably on EDA. I think they are to be commended for doing an exceptional job under the most difficult of circumstances. They have a comparatively small staff and were given the responsibility of selecting \$2 billion worth of applications from more than \$24 billion worth of applications. They had to develop guidelines and select projects within 30 days and 60 days respectively. This is no easy job. But, they did so and in so doing, EDA demonstrated the greatest possible attention to the law and applying it as fairly as possible to all parts of the country.

I am pleased that as a member of the Economic Development Subcommittee of the Public Works and Transportation Committee I will have a chance to participate in hearings on this subject, hopefully later this month. At that time I want to take a careful look at the law and the allocation process. I think there are some real improvements which can be made given the first run of this program. I think it is important that we enter these hearings with an open mind and certainly look beyond the obvious problem in that there is a large backlog of worthwhile projects waiting to be

funded. I feel that I have an important obligation to the people of my district and to those of the State of California and the Nation to make an honest and diligent effort to improve this program. The need is still there. But, it is essential that we look at the solution to make certain that it gets to the root of the problem.

Mr. DICKS. Mr. Speaker, I would like to thank my colleague, Mr. CONABLE for the opportunity to join him in addressing the inadequacies of the local public works program.

In evaluating the impact of the local public works program on my district and Washington State, I have been in frequent contact with the Regional Director of the Economic Development Administration, Mark Smith, and I have received telegrams and letters from elected and appointed officials at all levels of government from people affected by the projects that were proposed. In reviewing these comments, I have concluded that changes to the local public works program are required in three areas. The first is to increase the potential for funding of projects in urban areas. The second is to increase the resources for administering the program in order to maintain a strong overall economic development program. And the third is to allow more local input and require matching funds in selected areas.

The intent of title I of the Public Works Employment Act of 1976 is to boost the economy through funding ready-to-go public works projects in areas of high unemployment. Yet 8 of 10 counties with the highest unemployment rates in Washington State received no funds; only one grant was made to a major city in Washington State, and neither of the two major population centers nor entire sections of the State received grants. While I do not dispute the need for economic improvement in rural areas and am gratified that some very worthwhile projects have been funded, I do not believe that the intent of the act was to disregard the high unemployment in urban areas. The intent of title I was not to provide projects in areas of highest unemployment, but to fund projects in areas of higher than average unemployment.

In retrospect, it appears there were three major factors which reduced the potential of urban projects for funding. These are the definition of project area; the use of benchmarks based on unemployment numbers; and the effect of unemployment rates on scores within a State. The following changes are suggested:

First. Change project area to "labor source area." A major difficulty with the current local public works program is the high degree of flexibility allowed an applicant in the determination of the "project area." "Labor source area" in most cases should be defined as the county in which the project is located. If income levels are used, then the areas used for income should coincide with the labor source area.

Second. Eliminate the need for benchmarks based on unemployment numbers by developing a system of "set-asides" for specific user groups.

The final project selection procedure in the current program involved comparing the high scoring projects to bench marks for each county within a State. The bench mark is the number of unemployed in a county multiplied by the total allocation for a State, divided by the number of unemployed in the State.

Instead of the county bench mark, specific amounts should be set aside for user groups. This concept is consistent with EDA's "entity" program. The set-asides could be divided in any number of ways. However, the comments I have received to date indicate that urban and nonurban areas should not compete with each other, nor should general and special purpose units of Government compete. Additional categories could be established by Congress for school districts and Indian tribes, even for State projects or central city areas, if appropriate. Congress should determine what percentage of the appropriated funds should be allocated to each of the categories selected and direct EDA to work closely with the Public Works Committees in the House and the Senate to develop guidelines to administer the program. The fact that most of the criticism of the local public works program concerns the inequities in the distribution of funds among user groups, suggests that an equitable distribution was an assumed, yet unspoken criterion in the minds of program developers, administrators, and applicants.

To increase the potential of urban projects for funding several changes in the use of the unemployment rates in evaluating applications have been proposed.

First. Develop a common criteria for employment data. Unemployment data for Indians is collected by the Bureau of Indian Affairs in one way and data for non-Indians is developed by the Bureau of Labor Statistics in another. This difference tended to give reservation Indians an advantage, while discriminating against Indians and others living in urban areas. Although the use of set-asides would solve this problem for the local public works program, the difference in unemployment data is a problem for other social Governmental programs, too.

Second. Average unemployment rates over a longer period of time.

Annual data are now available for the first time from the Bureau of Labor Statistics and are only a few months old. Using annual data would eliminate seasonal unemployment.

Third. Eliminate the 70/30 split.

The use of set-asides for specific user groups would eliminate the need for the 70/30 split, used to allocate funds to areas with varying rates of unemployment.

Fourth. Consider the number of unemployed as well as the rate of unemployment. The logarithm designed to reduce the importance of urban areas should be eliminated and a simple ordinate ranking used instead. The score relating to unemployment number will then be in direct proportion to the number of unemployed.

Fifth. Eliminate the use of unemployment rates in the construction industry. This data is inadequate and should not be a part of the scoring system.

The second change recommended for the local public works program is to maintain a strong ongoing EDA program. The congressional goal of improving the economy is defeated if the local public works program is simply substituted for an effective overall economic development program.

The Regional Director advised me that the regular EDA programs—public works, business loans, planning and technical assistance—have suffered greatly since the beginning of fiscal year 1977 on October 1. At best, most regional offices have been able to pay only minimal attention to these regular programs because of the press of local public works business. Regional offices find themselves desperately trying to catch up with one-third of the fiscal year gone and a new local public works program just over the horizon. The following changes are suggested:

First. Allow ample time for EDA to hire and train an additional work force for the local public works program.

If the Agency is to maintain its regular ongoing programs, additional personnel must be hired to assist them during an extended local public works program. Under the current program, virtually all regular EDA staff members were assigned to the local public works program. If they are to remain on their regular assignments during any new program, EDA will have to be able to hire and train temporary staff at the necessary skill levels.

Second. Allow ample time for the development and dissemination of any new local public works guidelines.

EDA published program guidelines piecemeal because of the very tight time frames imposed on the agency by the legislation. Some guidelines were not published in time to be generally understood by applicants.

Third. Reduce the potential for half-completed projects.

Under the current program, projects were funded which did not have complete plans, specifications, and cost estimates. I understand that there is a good possibility that many projects will not be finished when their grant award is exhausted. The current legislation could be modified by assigning a greater number of points in the scoring system to projects with completed plans and specifications, or by accepting applications projects with completed plans and specifications and a current cost estimate. The potential for completed projects could also be increased by considering rehabilitation projects as well as new construction. Rehabilitation projects are often more labor-intensive than new construction, and reduce the advantage of rural areas over developed urban areas.

In addition to improving the funding potential of urban projects and maintaining a strong EDA program, I recommend that the following changes be considered:

First. Allow more local input and review by affected jurisdictions.

Local elected officials have advised both the Regional Director and myself that they did not have enough time to review and/or set local priorities. Many local mayors and county commissioners, not to mention economic development districts felt that they should have the right to set local priorities. A-95 agencies were swamped with project applications as were jurisdictions which wished to comment on projects but did not have adequate staff time.

Second. Reduce local public works grants from 100 to 80 percent except in areas where the community does not have the ability to provide the 20-percent match.

Reducing local public works grants to 80 percent has the obvious advantage of funding more projects. It also increases the local community's "stake" in the project and helps local officials set priorities. The number of applications from communities may be reduced, at least in those areas where projects could be funded by other means; 100-percent grants would be available to communities which could not provide the 20-percent match. The ability of a community to pay could be determined by the ratio of per capita tax to per capita income in the labor source area or some other measure.

Third. Increase the percentage of score given for long-range economic development benefit.

Although long-term economic development was not mandated in the legislation, many felt that it should carry greater weight in any new program. Although school districts would benefit by this change in the scoring system, they could be removed from competition with other special purpose governments by a special set-aside.

Mr. CONABLE. Mr. Speaker, I yield back the balance of my time, and I believe the gentleman from Minnesota will take over from here.

GENERAL LEAVE

Mr. CONABLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PUBLIC WORKS EMPLOYMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRENZEL) is recognized for 60 minutes.

Mr. FRENZEL. Mr. Speaker, it is my intention to continue the discussion which the gentleman from New York (Mr. CONABLE) has begun here. I would like to begin with a short statement.

Last July Congress passed the Public Works Employment Act, which provided for \$2 billion in Federal funding for local public works projects through September 1977. We are just now beginning to get an idea of the public works projects

which will be funded under this act, but we will have to wait until late in 1977 or even 1978 to experience the real impact of the program. Already, however, sufficient criticism of the public works employment program has been voiced to warrant prompt and careful examination of the program, particularly before any further expansion is even contemplated.

In formulating the Public Works Employment Act, Congress established an extensive, yet sufficiently vague, set of criteria which had to be considered in processing grant applications. The result has been that the implementation of the act is an administrative nightmare. Not only was the Economic Development Administration faced with the problem of establishing fair and comprehensive guidelines for processing grant applications to meet all the dictates of Congress, but the individual applicants were confronted with a lengthy and extremely complex form to complete. This tended to put smaller communities at a distinct disadvantage because of their lack of expertise in completing such a sophisticated application.

Another very serious problem was posed by the very unemployment statistics upon which the actual funding decision was made. According to the people who actually provided the unemployment figures for specified projects areas—in most cases the State Employment Services Department—these figures were, at best, unreliable and, not infrequently, totally inaccurate.

Since no method exists for developing reliable estimates for small political divisions or geographic areas, the employment services office often had to rely upon census data from April of 1970. In addition, the use of the unemployment rate from the most recent 2-month period put those areas with highly seasonal employment at a definite disadvantage.

To a great extent, the employment service was forced into a time-consuming exercise in frustration and futility in trying to develop reasonable unemployment estimates for the hundreds of proposed project areas. In Minnesota alone, there were approximately 400 written requests and 100 telephone requests for such information. Furthermore, many of these requests had to be processed several times over, as the applicants gerrymandered the project areas boundaries in order to attain the highest possible unemployment rate.

Congress was made aware of this statistical problem back when the Emergency Employment Act of 1971 was passed, yet it has failed to make any attempt to correct the situation. If public works grants are to be awarded on a reasonable and equitable basis, there must be developed a new methodology for allocating these funds.

It is important to emphasize here that while we hasten to blame the bureaucracy, much of the blame must be laid squarely at the feet of Congress. We are very anxious to legislate results, but apparently do not really care whether the programs work.

At the same time, Congress needs to

evaluate the effectiveness of public works projects in reducing unemployment and stimulating the economy. I believe that public works "pork-barreling" has been about the most ineffective and fiscally irresponsible attempt to pump up our economy. Faced with a serious economic situation, Congress has responded by carelessly throwing money at the problems in hopes that they will go away. Public works programs which produce temporary jobs costing the taxpayers \$25,000 to \$40,000—\$35,000 according to CBO in 1975—each can hardly be considered a sound or responsible way to try to improve our economy. Since public works projects often require extensive materials and higher skilled, and therefore higher paid, workers, there is a very low employment value per dollar spent. Furthermore, public works projects usually provide few opportunities for employment and/or training for those people most severely affected by unemployment; that is, for the unskilled, minorities, and youth.

Finally, it has also been shown that the impact of public works spending does not come for a year or two after the program has been initiated, often just when the economy is regaining its footing. For example, since the act was passed in July, the construction industry has shown a steady improvement, with the unemployment rate in that sector having dropped nearly 4 percentage points. Public works spending at this time will surely contribute to inflation by increasing the demand for scarce materials and skilled labor.

I suppose it is inevitable that some good has come from this program. But the sheer weight of evidence would seem to indicate clearly that in terms of jobs produced, public good, or equity to people or areas, it is a dismal failure.

It is time for Congress to stop pretending its responsibility ends with good intentions. We must assume our responsibility to examine thoroughly the public works program, rather than continuing to pour billions of dollars into such an expensive, ineffective, and perhaps unnecessary program.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. FRENZEL. Mr. Speaker, at this time I yield to the distinguished gentleman from Mississippi (Mr. COCHRAN).

Mr. COCHRAN. I thank the gentleman for yielding to me. I want to compliment the gentleman for the quality of his remarks and his analysis of this \$2 billion jobs program that we are now learning more about. I was very active in trying to gain passage of this bill, both in the Committee on Public Works and Transportation and here on the floor, even voting to override the President's veto, thinking that it was going to be a good program and that it would help in areas of high unemployment.

But, I want to share with the gentleman an experience we have had in Mississippi with respect to this program. Our State was very fortunate in having a relatively low rate of unemployment among the States of this great Nation. Therefore, we were not given a great amount of money. Only \$10 million was allocated to our State under this program.

The absurdity, though, Mr. Speaker, is that of this \$10 million, \$4.9 million was allocated to one small town with a population of 2,100 people. We had many, many towns and communities and counties throughout our State making application for these funds and it is not, Mr. Speaker, just because this small town is not in my congressional district that I am complaining.

The fact is that we were trying to spread the money around, encouraging through the local EDA representative communities to keep their requests down to about \$250,000 or \$300,000 so that more areas of the State would benefit. But, irrespective of that suggestion, this one town did put in a very large application, and it was approved in toto by the Assistant Secretary of Commerce through the procedures and formulas for allocations that they devised spreading this money around.

This is an example, I think, which is probably not unusual in the administration of this program. I think that the Committee on Public Works and Transportation has a duty, immediately upon being organized, to commence hearings, as the gentleman from Minnesota suggests, to find out exactly where the money has been going and how many jobs, in fact, were being created and whether or not we ought to make some drastic changes in this type of program if we do enact a jobs program through the Public Works and Transportation Committee again this year.

Again, Mr. Speaker, I want to compliment the gentlemen from Minnesota and New York.

Mr. FRENZEL. Mr. Speaker, I thank the distinguished gentleman from Mississippi for his important contribution.

I now yield to the distinguished gentleman from Michigan (Mr. PURSELL).

Mr. PURSELL. Mr. Speaker, I just want to thank the gentleman from Minnesota and the gentleman from New York for outlining some of the technical and political problems of the public works employment legislation. My only personal comment, having served in a State senate for a 4-year term, is that Congress should address itself to the evaluation, testing, and challenging of this type legislation vis-a-vis long-range goals. It seems that we are operating in an emergency, temporary vacuum, and that the committee in a crisis situation developed legislation that is not necessarily in the long-range interest of minorities or in jobs for particular cities or rural communities.

I would just hope that when we look over this in the evaluation process, that we consider the long-range planning aspects of this type legislation, which are very important to me. Congress ought to be working with the various political subdivisions in developing long-range rehabilitation, particularly of the urban communities, so that we are making a rational or logical plan of 5 to 10 years in development, rather than operating on a crisis basis and trying to fill a void at any given time.

Mr. FRENZEL. I thank the gentleman from Michigan for his comments, and I think they are very important.

When the bill was passed I wrote to

each mayor and to each council and to legislators, county commissioners in my district, and indicated briefly what the criteria would be. Then I settled back to wait for their comments, which were, "For heaven's sake, now what have you done to us? We don't understand this at all."

The larger cities in the State, of course, understood it well enough to apply their usual grantsmanship techniques and some of them may be successful.

I would add, parenthetically, that my own district has had no application accepted and through February it looks like there will be none. So we have had no experience with the program except to say that our people have been thoroughly confused.

What has happened is, as I indicated before, Congress has simply passed a bill so that it can say that if they have done something about the problem of unemployment. Congress has cared not a fig whether it worked, whether anybody else was employed, whether it did any public good out in the provinces, whether the provincial managers, the mayors and councils, county commissioners were involved, or whether they thought it was doing them any good. Congress simply wanted to tell the newspapers that we were concerned about jobs. As a result, having legislated results instead of programs, we are again seeing yet another multi-billion-dollar program turn out to be—not worthless, because in the expenditure of Federal funds there is always some value to be derived—falling well short of the potential and of the promise.

Mr. Speaker, again I thank the gentleman from Michigan.

JOSEPH McCAFFREY: 20 YEARS ON THE AIR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MICHEL) is recognized for 5 minutes.

Mr. MICHEL. Mr. Speaker, a few days ago I came across a complaint about Congress. It seems that Congress has not yet caught up with the communications revolution. The Office of the President has learned to live with radio and television, but the Congress has not. Therefore the public, which depends on television for much of its information, learns quite a lot about the programs and personalities of the Presidents but little or nothing about the programs and personalities of the Congress. Or, at least, so goes the argument.

I am sure an argument can be made that the public is better off under the current banning of live television cameras on the floor of the House. Perhaps a live television debate over one or more obscure pieces of legislation would cause an epidemic of yawning and sleeping across the country. But, at any rate, one thing is certain: Congress certainly does not get the quantity and the quality of electronic reporting as the executive branch. Radio, while it does a better job of covering certain congressional actions also fails to adequately cover Congress on a regular basis.

To this rule there is one exception, and his name is Joe McCaffrey. This year marks the 20th consecutive year that his radio program, "Today in Congress" has informed the people of Washington about the business of the Congress. Amazingly enough it is the only program to offer, on a regular basis, a recap of House and Senate action both on the floor and in committee.

Mr. Speaker, I want to take this opportunity to extend my warmest congratulations to Joe McCaffrey on the occasion of his 20th anniversary of reporting on the activities of the Congress. Certainly Joe has become a fixture around these parts and over the years he has attracted a large listening audience, not only among Members and staff people on Capitol Hill, but throughout the executive agencies and bureaus. In addition to "Today in Congress" he hosts the weekly, "McCaffrey's Washington," a half-hour interview program featuring Senate and House Members.

While extending best wishes to Joe McCaffrey for many more years of reporting on the activities of the Congress, I cannot help but point out that the world of broadcast journalism needs improvement if it can boast of only one regular program dealing with a branch of government that is responsible for allocating billions of taxpayers dollars and has the power to declare war as well. I know that some of the more sensational and titillating events that now and then occur on the Hill are covered with evident glee and gusto by the electronic media. But what about the admittedly dull, but profoundly important, work that goes on day by day in this institution? How many citizens can say that they get an adequate, let alone informed, view of Congress from the electronic media? Yes, perhaps the Congress should reevaluate its own attitude toward the electronic media. But I think it is fair to say that with few exceptions, the business of Congress is a nonevent so far as radio and television are concerned.

I think both the Nation and the Congress would be better served if the quality and quantity of electronic reporting increases. For the present, however, it is Joseph McCaffrey on WMAL Radio 63 in Washington if you want to find out what happened in Congress today.

REFORM IS ESSENTIAL TO RESTORING PUBLIC TRUST AND CONFIDENCE IN CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, I have introduced today two pieces of important legislation, the Congressional Reform Act and the congressional reform resolution. Their provisions address a fundamental issue—falling public trust in public institutions, especially those which govern.

Government is the most pervasive instrument of change or stagnation in our society today, and Congress is the fountainhead of all statutory authority exercised by that Government. The President has little authority except that

given to him by the Congress over the years, and this is true of his department and agency heads as well. The courts have little power, except that granted by the Congress. As the fount of these authorities, Congress has not always lived up to the reasonable expectations of the people.

There is a broadly held impression among the people today that "the more things change, the more they stay the same." That impression arises from two of their observations. First, that no matter whom they vote for, no matter which party is "in power," no matter which philosophy or program is espoused by a candidate before he's elected, things in Washington seldom change. Second, that there are some Members who may be here more for what they can do for themselves, than for their constituents and the country.

The genesis of my action here today is my concern over the erosion of confidence and trust in Congress as an institution and the impact that erosion might be having.

Let us look for a moment at this role as an institution in our society of Congress on our national spirit.

THE INSTITUTIONAL ROLE OF CONGRESS

Institutions serve as the backbone of the "body politic." They are the mechanisms through which a culture transmits its values and establishes the norms of human interaction and conduct. They bring cohesion of process and purpose to extensions of time, serving as the threads which weave together our past and our future. Upon their continuity rests the stability of society and government, and they are the foundation stones upon which common consent rests. Institutions may be practices, relationships, processes, organizations, or structures, and Congress is all of these, but the common denominator is that they serve as the dispassionate devices through which people and groups, in agreement or in disagreement, act and react with one another.

Institutions do not arise simply and solely from the genius of man. They are, through the endless learning processes of a people and nation, molded out of human experience. They are tried. They are tested. They are proved. And through all of this, adjustments are made, carefully here, prudently there. In the long run, they provide the procedural mechanisms through which human conduct can be self-regulating by common agreement and perception, and, when necessary, by force of law. This is my framework for looking at Congress, this body in which we serve, as an institution in our society. It serves also to remind us of the grave responsibility we shoulder to preserve its purposes inviolate from individual or concerted abuse.

THE IMPORTANCE OF PRESERVING PUBLIC TRUST IN CONGRESS

Few things are more important in a society, especially a free society, than preserving trust in the institutions which act in behalf of the people's interests. Trust is the basis for optimism about the future.

To the degree the majority of Members

let misconduct on the part of some undercut that trust, we—all of us—are rendered less capable of solving the very problems we were sent here to tackle. When this happens Congress stops making sense in most the people's minds, and when institutions cease to make sense in this way, all the familiar criteria for success or failure become utterly irrelevant. Then, if Congress does something right, it is either overlooked or a source of further confusion.

When Members themselves acquiesce in wrongdoing, they undercut our ability to assure that good does triumph.

And, frankly, when the people, the constituents, acquiesce in wrongdoing, they undercut the effectiveness of those who do conduct themselves properly.

WHEN REFORM REALLY IS NOT REFORM

Let us be candid with one another. We know the so-called congressional reforms we have seen passed in the past year have been very little real, substantive reform. The first definition of "reform" in Webster's dictionary is "to remove faults or abuses * * *." Simply amending something, rewriting it, moving a section from here to there—these are not substantive reforms. Amendment is not synonymous with reform. Reform, to me, means we take the abuses we have seen in recent years, particularly last year, and address them, through an overall, comprehensive effort, and put onto the books those clarifications, proscriptions and prohibitions, and penalties needed. It doesn't fool the people for one moment for Congress to say to its Members, "Thou shalt not," and then not include a penalty setting forth what happens if you do. Yet our laws, rules, and ethics with respect to Congress are replete with instances of "Thou shalt not" without penalties.

The attitude that Congress can take care of a basic, fundamental problem by dealing only with a specific instance of wrongdoing is wrong too. You do not address a basic, fundamental problem by stripping a single wrongdoer of his powers and doing nothing else, although that might frighten some into walking the narrow line at least until the furor dies down.

Another thing that is wrong is the attitude that a problem can be glossed over by simply ignoring it. Maybe that was true at one time, when disclosures of misconduct were few and far between, but it is not true now. Look at the disclosures and allegations over the past several years. Abuses of congressional staff positions and salaries. Converting campaign funds to personal uses. Accepting political contributions from foreigners with immense financial interests in the decisions of Congress. Traveling abroad at the expense of foreign governments which depend upon the economic and military assistance we vote them. And the list goes on. These cannot be glossed over.

My points here today are not partisan. The need for genuine congressional reform transcends both political party and philosophical persuasion. That is why I was particularly disappointed in the minimal debate during the first day of this Congress over adopting the rules

of the House for the next 2 years, a consideration which once again saw the defenders of the status quo first lined up to stop us from passing badly needed reforms and then lined up to push through some changes to their own which go in the opposite direction of real reform.

We did not even have a thorough debate on reform, either in general or with respect to many proposals which would have been offered. That is a bad sign. The stifling of debate is antithetical to every liberal principle in our society, for debate is essential to the free movement of ideas.

WE NEED A BALANCED PERSPECTIVE ON WHAT IS WRONG IN CONGRESS

Let me say one thing about how bad the situation may or may not be. I know the situation is not as bad as some would want us to believe. For every instance of corruption or misconduct or simply bad judgment, there are hundreds of instances of honesty and good judgment. It is like everything else in life—only the aberrations make the news.

Probably the most obvious and tangible evidence of this disparity between perceptions of Congress in general and of most Congressmen in particular is the fact that, while we have polls showing only 19 percent of the people have confidence in Congress as an institution, individual Members who run for reelection are returned by majority votes in their respective districts at the rate of 90 to 92 percent.

The people seem to be saying, "Congress is not worth too much, but we think highly of our own Congressman." And, when you add those sentiments together, it shows the strong support for individual Members, which when added together, should show more confidence in Congress as an institution than the 19 percent indicates.

WHAT NEEDS TO BE DONE

A number of things—substantive ones—need to be done by the House, here at the outset of this new Congress. Reform now is essential to restoring public trust and confidence in Congress. We have a new Speaker, a new majority leader, new faces in the leadership of the committees and their subcommittees, many new Members, and even a new President who made trust in government one of his most successful campaign themes, as did the outgoing President, who also made it a hallmark of his administration. We have an opportunity, therefore, to carry out meaningful reforms, and I am firmly pledged to pushing for them.

The two pieces of legislation which I introduced today are among the most far-reaching congressional reform packages to have been introduced in years. The legislation consists of two measures—a bill and a resolution. The bill, the proposed Congressional Reform Act of 1977, incorporates all reforms not directly affecting the rules of the House. The resolution, the proposed congressional reform resolution of 1977, covers all the reforms to the House rules. These reforms cannot be put into one piece

because of the constitutional requirement that only the House can set the rules of the House, and a bill has to be considered by the Senate and then signed by the President.

THE CONGRESSIONAL REFORM ACT

The Congressional Reform Act has 19 provisions. One through ten are reforms affecting salary, allowance, benefits, personnel, disclosure and audit procedures. Eleven through 18 are designed to improve communications and increased understanding between Members and constituents. The 19th establishes an Office of the General Counsel of the House and sets forth its policies and purposes, structure, et cetera.

The act has provisions which—

First, prohibit the diversion of excess campaign contributions to personal uses;

Second, prohibit payment of Congressional travel expenses by a foreign government or an organization funded or controlled by a foreign government;

Third, stop salary increases for Members from taking effect until the Congress after the one which Presidential and commission recommendations for increases were not disapproved or amended;

Fourth, permit House allowances to be set or adjusted only by a vote of the full House;

Fifth, prohibit travel at Government expense outside the United States by Members who have been defeated or who have resigned or retired;

Sixth, mandate a study of the personnel policies and practices of Members and committees by an independent management consulting firm;

Seventh, prohibit reimbursement for first-class air fare for Members and employees of committees;

Eighth, require mandatory audits of all income tax returns made by Members;

Ninth, require the House restaurant, cafeterias, and other food services of the House to be operated on a self-sustaining basis;

Tenth, require the itemization and disclosure of travel funds;

Eleventh, require estimates of the costs and savings in total and to each average taxpaying family of legislative proposals to be printed on the first page of bills and resolutions;

Twelfth, require additional information on reports and forms mandated by legislation to be incorporated in committee reports;

Thirteenth, require information to be made available in post offices on how and where to communicate with Members and Senators;

Fourteenth, require postal patron mailings by Members and Senators to include communications information;

Fifteenth, prohibit certain franked mailings by Members and certain officers of the Government;

Sixteenth, require reports by executive departments and agencies to persons elected to the House of Representatives on activities within their respective districts;

Seventeenth, authorize seminars for freshmen Members to be conducted before the beginning of each new Congress;

Eighteenth, allow a Member of Congress to direct what would otherwise be an honorarium to him to a qualified charity without it counting against his personal income or the ceiling on honorariums; and

Nineteenth, establish an Office of the General Counsel to the Congress.

THE CONGRESSIONAL REFORM RESOLUTION

The congressional reform resolution has provisions which—

First, make committee and subcommittee records available for public inspection and require committee and subcommittee rollcall votes to be published in the CONGRESSIONAL RECORD;

Second, prohibit proxy votes in committees and subcommittees;

Third, allow any member of a committee or a subcommittee to demand a rollcall vote on a question;

Fourth, require a rollcall vote on every motion to report a bill or resolution to the full House;

Fifth, establish conditions for the admission of ex-Members and certain other persons—we are talking principally here of those who are now lobbyists—to the Hall of the House and rooms leading thereto;

Sixth, remove limitations on the number of Members who may introduce jointly any bill, memorial, or resolution;

Seventh, prohibit party caucuses or conferences from binding a Member to a vote against his conscience;

Eighth, require full disclosure of expenditure accounts;

Ninth, require committee travel funds to be approved by rollcall vote in open session;

Tenth, require honorariums and gifts to be disclosed;

Eleventh, permit the House to move within 30 days to expel a Member convicted of a felony;

Twelfth, make the Committee on Standards of Official Conduct—our ethics committee—accountable to the full House;

Thirteenth, apply the rules of the House governing committees to the special legislative committees;

Fourteenth, make the committee reports under the Budget Act formal committee actions, with the filing of minority, additional, or separate views allowed;

Fifteenth, prohibit closed rules;

Sixteenth, place additional limitations on the consideration of a bill or joint resolution under suspension of the rules;

Seventeenth, permit inclusion of minority, additional, or separate views in conference reports;

Eighteenth, require majority and minority Members to discuss oversight plans and to coordinate all oversight activities;

Nineteenth, require a 2-day period before a bill or joint resolution reported from a subcommittee can be acted upon by the full committee;

Twentieth, authorize television and radio coverage of House proceedings;

Twenty-first, prohibit the chairman of the Committee on House Administration and subcommittees thereof from serving simultaneously as officers of either the Democratic National Congressional Com-

mittee or the National Republican Congressional Committee—a provision directed at the abuses of power which arise from one man serving in two such powerful positions; and

Twenty-second, require the disclosure of the hiring by Members of relatives of other Members.

A CALL FOR ACTION

I can think of few things more important than passing these reforms. It is essential to the country and the Congress.

I hope the committees to which the bill and resolution have been referred will act on them as soon as those committees are formally constituted this month.

There are no reasons to wait.

PROTECTING OLDER AMERICANS FROM OVERPAYMENT OF INCOME TAXES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTEN) is recognized for 5 minutes.

Mr. KASTEN. Mr. Speaker, every year thousands of our older Americans needlessly overpay their Federal income taxes.

One reason is that many senior citizens are unaware of the special deductions and tax relief measures which can save them precious dollars.

Another reason is that, like most Americans, they are overwhelmed by the complexity of the tax law and tax forms.

The Senate Committee on Aging has published a convenient checklist to help older Americans prepare their tax returns this year if they itemize deductions.

This checklist can be particularly helpful this year as a safeguard for taxpayers who may not be completely current on recent changes in the tax law. For example, a new, expanded and simplified credit for senior citizens has replaced the former more complex retirement income credit.

The summary can also be useful for taxpayers who may subsequently discover that they forgot to claim an allowable deduction on a prior tax return.

These individuals can still obtain a refund for these expenditures by filing an amended return—form 1040X—for the year in question. Form 1040X, however, must be filed within 3 years after the original return was due or filed or within 2 years from the time the tax was paid, whichever is later.

Mr. Speaker, this checklist can be useful not only to senior citizens but to taxpayers of all ages. In order that people may have a convenient checklist for determining tax deductions, I include the following material in the RECORD:

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

(A revised checklist of itemized deductions for use in taxable year 1976)

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

Medical and dental expenses

Medical and dental expenses (unreimbursed by insurance or otherwise (are deductible to the extent that they exceed 3% of

a taxpayer's adjusted gross income (line 15c, Form 1040).

Insurance premiums

One-half of medical, hospital or health insurance premiums are deductible (up to \$150) without regard to the 3% limitations for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3% rule.

Drugs and medicines

Included in medical expenses (subject to 3% rule) but only to extent exceeding 1% of adjusted gross income (line 15c, Form 1040).

Other medical expenses

Other allowable medical and dental expenses (subject to 3% limitation):

Abdominal supports (prescribed by a doctor).

Acupuncture services.

Ambulance hire.

Anesthetist.

Arch supports (prescribed by a doctor).

Artificial limbs and teeth.

Back supports (prescribed by a doctor).

Braces.

Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. Taxpayer should have an independent appraisal made to reflect clearly the increase in value.

Cardiographs.

Chiroprapist.

Chiropractor.

Christian Science practitioner, authorized.

Convalescent home (for medical treatment only).

Crutches.

Dental services (e.g., cleaning, X-ray, filling teeth).

Dentures.

Dermatologist.

Eyeglasses.

Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).

Gynecologist.

Hearing aids and batteries.

Home health services.

Hospital expenses.

Insulin treatment.

Invalid chair.

Lab tests.

Lipreading lessons (designed to overcome a handicap).

Neurologist.

Nursing services (for medical care, including nurse's board paid by you).

Occupational therapist.

Ophthalmologist.

Optician.

Optometrist.

Oral surgery.

Osteopath, licensed.

Pediatrician.

Physical examinations.

Physical therapist.

Physician.

Podiatrist.

Psychiatrist.

Psychoanalyst.

Psychologist.

Psychotherapy.

Radium therapy.

Sacroiliac belt (prescribed by a doctor).

Seeing-eye dog and maintenance.

Speech therapist.

Splints.

Supplementary medical insurance (Part B) under Medicare.

Surgeon.

Telephone/teletype special communications equipment for the deaf.

Transportation expenses for medical pur-

poses (7c per mile plus parking and tolls or actual fares for taxi, buses, etc.)

Vaccines.

Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).

Wheelchairs.

Whirlpool baths for medical purposes.

X-rays.

Taxes

Real estate.

State and local gasoline.

General sales.

State and local income.

Personal property.

If sales tax tables are used in arriving at your deduction, you may add to the amount shown in the tax tables only the sales tax paid on the purchase of five classes of items: automobiles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, recovery of pension costs, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

Contributions

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 15c, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20% of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible). Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7 cents per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used to charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in taxpayer's home under a written agreement with a qualifying organization (deduction is limited to \$50 per month).

Interest

Home mortgage.

Auto loan.

Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the "finance charge" if the charges are based on your unpaid balance and computed monthly.

Other charge accounts for installment purchases—may deduct the lesser of (1) 6% of the average monthly balance (average monthly balance equals the total of the unpaid balances for all 12 months, divided by 12) or (2) the portion of the total fee or service charge allocable to the year.

Casualty or theft losses

Casualty (e.g., tornado, flood, storm, fire or auto accident provided not caused by a willful act or willful negligence) or theft losses to nonbusiness property—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the \$100 limitation. You may use Form 4684 for computing your personal casualty loss.

Credit for child and dependent care expenses

Certain payments made for child and dependent care may now be claimed as a credit against tax instead of as an itemized deduction.

If a taxpayer maintained a household that included a child under age 15 or a dependent or spouse incapable of self-care, a taxpayer may be allowed a 20% credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable the taxpayer to work either full or part time.

For detailed information, see the instructions for Form 2441 on page 17.

Miscellaneous

Alimony and separate maintenance (periodic payments).

Appraisal fees for casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return. Cost of tools for employee (depreciated over the useful life of the tools).

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box for income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding \$25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by a taxpayer's employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if employment requires it.

Payments made by a teacher to a substitute.

Educational expenses required by your employer to maintain your position or for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—Taxpayers may now claim either a deduction

(line 32, Schedule A, Form 1040) or a credit (line 52, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is \$100 (\$200 for couples filing jointly). The amount of the tax credit with a \$25 ceiling (\$50 for couples filing jointly).

Presidential Election Campaign Fund.—Additionally, taxpayers may voluntarily earmark \$1 of their taxes (\$2 on joint returns) for the Presidential Election Campaign Fund.

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

Other tax relief measures

Filing status:	Required to file a tax return if gross income is at least—
Single (under age 65)	\$2,450
Single (age 65 or older)	3,200
Qualifying widow(er) under 65 with dependent child	2,850
Qualifying widow(er) 65 or older with dependent child	3,600
Married couple (both spouses under 65) filing jointly	3,600
Married couple (1 spouse 65 or older) filing jointly	4,350
Married couple (both spouses 65 or older) filing jointly	5,100
Married filing separately	750

Additional Personal Exemption for Age.—Besides the regular \$750 exemption allowed a taxpayer, a husband and wife who are 65 or older on the last day of the taxable year are each entitled to an additional exemption of \$750 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1977, you will be entitled to the additional \$750 personal exemption because of age for your 1976 Federal income tax return.

General Tax Credit.—A new general tax credit is available. For this credit, the taxpayer may claim the greater of (1) \$35 per exemption shown on line 6d, Form 1040A or Form 1040, or (2) 2 percent of taxable income (line 15, Form 1040A or line 47, Form 1040) but not more than \$180 (\$90, if married, filing separately).

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a \$750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, but only one of them, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement

must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence by Elderly Taxpayers.—A taxpayer may elect to exclude from gross income part or, under certain circumstances, all of the gain from the sale of his personal residence, provided:

1. He was 65 or older before the date of the sale, and

2. He owned and occupied the property as his personal residence for a period totaling at least 5 years within the 8-year period ending on the date of the sale.

Taxpayers meeting these two requirements may elect to exclude the entire gain from gross income if the adjusted sales price of their residence is \$20,000 (this amount will increase to \$35,000 for taxable years beginning after December 31, 1976) or less. (This election can only be made once during a taxpayer's lifetime.) If the adjusted sales price exceeds \$20,000 (this amount will increase to \$35,000 for taxable years beginning after December 31, 1976), an election may be made to exclude part of the gain based on a ratio of \$20,000 (this amount will increase to \$35,000 for taxable years beginning after December 31, 1976) over the adjusted sales price of the residence. Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded by an elderly taxpayer when he sells his home.

Additionally, a taxpayer may elect to defer reporting the gain on the sale of his personal residence if within 18 months before or 18 months after the sale he buys and occupies another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence or (2) you were on active duty in the U.S. Armed Forces. Publication 523 (Tax Information on Selling Your Home) may also be helpful.

Credit for the Elderly.—A new, expanded, and simplified credit for the elderly has replaced the former more complex retirement income credit.

A taxpayer may be able to claim this credit and reduce taxes by as much as \$375 (if single), or \$622.50 (if married filing jointly), if the taxpayer is:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

To be eligible for this credit, taxpayers no longer have to meet the income requirement of having received over \$600 of earned income during each of any 10 years before this year.

For more information, see instructions for Schedules R and RP.

Earned Income Credit.—A taxpayer who maintains a household for a child who is under age 19, or is a student, or is a disabled dependent, may be entitled to a special payment or credit of up to \$400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if a taxpayer reported earned income and had adjusted gross income (line 15c, Form 1040) of less than \$8,000, the taxpayer may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040) line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

ASSASSINATION INVESTIGATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, the 94th Congress on September 17, 1976, debated, deliberated and decided that there should be an investigation into the assassinations of President John F. Kennedy and Dr. Martin Luther King, Jr. It seems to me unconscionable to the American people, this House and the professional staff who have already begun this investigation now to redebate a policy which has previously been decided.

Legitimate questions have been raised by my colleague, Chairman DONALD EDWARDS, about the conduct of the investigation. To keep the Members of this House fully apprised of those issues as well as my response I have inserted all of that correspondence in the RECORD of this House. Other inquiries have been raised about the proposed budget and the size of the staff. Personal attacks have been leveled in the media against Richard Sprague, the committee's chief counsel.

The inquiries do not raise an issue as to whether we should continue these vital investigations but how. Certainly there should be no question as to the will or desire of the American people to carry on these investigations. The primary issue now facing the House is simply to reestablish the select committee.

There are very compelling reasons for the immediate reestablishment of the select committee. For example, subpoenas which have been issued in both the Kennedy and King investigations are no longer enforceable. Thus, the evidence which was previously under the control of the House is no longer effectively under its control. Similarly, evidence which should be immediately brought under the control of the House cannot because there is no committee and no subpoena power. The select committee is literally in a legal limbo.

The committee has assembled a staff of professionals who are continuing to proceed. Yesterday, members of the Kennedy subcommittee and I received a briefing from the staff outlining areas of investigation which require sustained effort. I know that if it were possible to divulge at this stage of the investigation the facts and evidence adduced, every reasonable-minded Member of the House would say: "By all means proceed." I believe that if the American people were to know these same facts and developments, they would never forgive us for not going on.

The staff is continuing to proceed with the acquisition and analysis of documents from all agencies of Federal, State, and local government. Unfortunately, where there is no legal authority, even the acquisition of documents has been seriously hampered.

Today, I received a letter from Attorney General Levi, properly advising me that until the committee is reestablished we are "unauthorized persons," and thus prevented from further exami-

nation and analysis of records. The Attorney General has assured me of his cooperation once the committee is reestablished and I am also advised that he has directed the Federal Bureau of Investigation to continue to process requests so it can be examined and analyzed as soon as the select committee is reestablished.

Finally, Mr. Speaker, I cannot too strongly stress that it is imperative that the select committee be established immediately. Unwarranted delay will permanently cripple the efforts of our investigations.

REMARKS UPON INTRODUCTION OF HOUSE RESOLUTION CONDEMNING FRENCH RELEASE OF TERRORIST ABU DAUD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. TSONGAS) is recognized for 5 minutes.

Mr. TSONGAS. Mr. Speaker, I stand today to offer a House resolution the purpose of which is to express strong protest at the actions of the Government of France in releasing the terrorist accused of planning the Munich Olympic massacre of 1972.

The Munich massacre, of course, resulted in the murder of Israeli athletes. It was an event which focused world attention on terrorism and the product of such acts. The product then was the death of 11 innocent hostages. An event which occurred 2 days ago in France is also the focus of world attention. The product of this unfortunate event can only be a world held hostage by the threat of terrorism.

The hasty release of Abu Daoud by the Government of France is an unconscionable breach of international law and justice. The release took place despite the fact that the nations of Germany and Israel had requested extradition of Daoud, despite the fact that these nations had bilateral extradition agreements with France, despite the fact that France had recently signed a Council of Europe antiterrorism treaty, and despite the fact that this release is in direct contradiction to the laws protecting citizens of all countries.

Therefore, I am asking my colleagues to support a resolution which expresses the sense of the House that the release of Abu Daoud by the Government of the Republic of France was both premature and unjustified and that such action should be strongly protested and condemned.

I believe that this action will inform the world of this body's and this Nation's sense of outrage over the release of an alleged terrorist and mass murderer. And I believe that this action will discourage capitulation to terrorism in the future:

TSONGAS RESOLUTION

Expressing the sense of the House of Representatives with respect to the release of Abu Daoud, the alleged planner of the 1972 Munich massacre of 11 Israeli athletes, by the French Government.

Whereas the Government of the Republic of France has released Abu Daoud, the alleged planner of the 1972 Munich Massacre which resulted in the murder of 11 Israeli athletes;

Whereas Abu Daoud was accused of abhorrent crimes of terrorism that demand judicial pursuit when the opportunity arises;

Whereas the Government of France failed to hold Abu Daoud in consideration of requests for extradition by the governments of Germany and Israel;

Whereas the Government of France, a signee of the 1976 Anti-Terrorism Treaty, the purpose of which was to curtail world terrorism, has by this action ignored this treaty; and

Whereas this action of the Government of France violates the spirit of international law and morality and encourages terrorism and a disregard for the laws protecting citizens of all countries; Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the release of Abu Daoud by the Government of the Republic of France was both premature and unjustified and that such action should be strongly protested and condemned.

CONGRESSMAN JOE MINISH HONORED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 5 minutes.

Mr. REUSS. Mr. Speaker, as chairman of the House Banking, Finance and Urban Affairs Committee, I am aware of the outstanding work of Congressman JOSEPH G. MINISH in the field of renegotiation. Since assuming the chairmanship of the Subcommittee on General Oversight and Renegotiation in early 1975, Congressman MINISH has led the way in exposing deficiencies in both the Renegotiation Act and in its administration by the Renegotiation Board. In 1976, he developed and pushed through the House legislation to provide for comprehensive reform of the renegotiation process.

I was pleased, therefore, to learn of the much-deserved praise Congressman MINISH received recently from that steadfast guardian of the taxpayer, Adm. Hyman G. Rickover. I want to share with my colleagues, remarks made earlier this month by Admiral Rickover, with regard to the gentleman from New Jersey:

REMARKS BY ADMIRAL H. G. RICKOVER, U.S. NAVY, CONCERNING CONGRESSMAN JOSEPH G. MINISH, JANUARY 4, 1977

I would like to say a few words about my good friend, Congressman Joseph Minish.

He is a man who knows where he stands on every question of life and affairs to an unusual degree. He has a warm heart and gift for friendship. He is one of those beings whose pace of life is faster and more intense than the ordinary. He is a sincere patriot; a wise, grave, sober-minded statesman; and a gay brilliant, loyal lovable being.

He remains inflexibly attached to first principles. He rarely traduces men's motives; he sometimes regards their decisions as foolish or founded on inadequate information.

His chief virtue is courage; and to brave men most things can be forgiven. Another virtue of importance is "honor". When presented before the bar of history men will

have to answer the question whether in crisis they acted honorably.

The single, central, organizing principle of his moral and intellectual universe is a strong and comprehensive and historical imagination.

He knows a great deal about the Renegotiation Board, and far more than most of the so-called experts in this field. He has been in the vanguard of those farsighted members of Congress dedicated to protecting the public interest in this field.

I am particularly grateful to him for the unflinching support he has given to our efforts to protect the Government's interests. For this, the United States owes him a debt of gratitude.

It was his committee which held special hearings in 1975 to bring into focus the need for strengthening the Renegotiation Board.

He permits nothing to deter him from doing his duty to the United States.

In the business of government, any movement from hideous to bad is progress, from hideous to fair is spectacular. And Congressman Minish has done more than his share to achieve the spectacular for us.

He does not agree with many of our pseudo-intellectuals who are drowning in their own words and suffocating in their own documents.

He thinks that knowledge is preferable to ignorance; human sympathy more valuable than ideology. That in spite of the recent triumphs of science, men have not changed much, and in consequence we must still try to learn from history.

Future generations will, I am sure, remember him above all for what he has done to preserve our heritage than for anything else.

INTERNATIONAL TERRORISM PRESENTS A THREAT TO ALL NATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 5 minutes.

Mr. WOLFF. Mr. Speaker, the recent release of Black September terrorist Abu Daoud by the French Government is an affront to American citizens, as well as to Israelis and West Germans. What has been overlooked in the quite understandable focus on the Munich Olympic massacre is that the American people, too, have a legitimate interest in Abu Daoud—he was the spark for the murder of two of our diplomats in Khartoum, Sudan, in 1973.

As such, France's action, taken despite the expressed intentions of both Israel and West Germany to request his extradition, serves to emphasize the lack of a comprehensive international framework within which to combat terrorism.

On January 4, 1977—several days before the release of Abu Daoud—I re-introduced House Concurrent Resolution 46, "urging that the President actively seek an international convention which has as its goal a multilateral treaty to deny sanctuary to international terrorists." But the cynical and craven action of the French Government has provided my bill an impetus it hardly needed. I hope that Congress and the White House will act swiftly so that France or any other country presently content to appease terrorists' interests will in the future be forced to act in concert with all nations to interdict terrorism and promote world peace.

The problem of international terrorism represents a serious and continuing threat to the safety and welfare of citizens of all nations. It represents an equally serious and continuing threat to orderly governmental and political processes, international transportation, communications, commerce, and diplomatic relations.

During the past decade, terrorism has become a major international phenomenon yet has been met with only minor international attempts to deal with it.

Clearly, solutions to this problem are difficult at best. Certain states have demonstrated a willingness to harbor, train, and arm terrorists; the sophistication of today's news media serves as a double-edged sword, giving terrorists the broadest possible forum for their statements and actions; and weapons, including not only conventional arms but chemical, biological, and radiological agents as well, will become increasingly available during the next several years. The fear many people now share concerning the inevitability of a terrorist takeover of a nuclear facility can only be viewed as harshly realistic.

The spread of such terrorist activity must be halted. In 1976 alone, there were over 30 acts of terrorism—bombings, hijackings, kidnappings, and assassinations—in which hundreds of people were victimized, at least 75 were killed and many more injured. Yet collective international response has been reactive in nature and limited almost exclusively to marginally tightening internal security precautions and establishing several narrow treaties concerning hijacking and the protection of diplomats.

A far broader, more effective treaty is necessary if we are to prevent the further escalation of a dangerous and destructive political tactic, one which many experts assert will be increasingly directed against Americans and American territory. My resolution would encourage the President to seek such a treaty, and I urge my colleagues to join me by cosponsoring this resolution.

PROPOSING AN AMENDMENT TO CONSTITUTION TO PROVIDE DIRECT POPULAR ELECTION OF PRESIDENT AND VICE PRESIDENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 10 minutes.

Mr. RODINO. Mr. Speaker, Senator BAYH and 41 cosponsors have introduced in the Senate, Senate Joint Resolution 1, proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States. The Bayh amendment would abolish the electoral college system.

In the past I have been supportive of these efforts and I joined 338 of my colleagues in recommending a nearly identical constitutional amendment when it passed this House in 1969. I believe, however, that it is time for a new look, a closer look perhaps, in 1977. The electoral college system has served this Nation since its inception; it has elected

each of our Presidents and has permitted an orderly constitutional mechanism for choosing executive leadership in every one of our 48 Presidential elections.

There are, it seems to me, important constitutional policy arguments that can be made in favor of retaining the existing structure. But at the same time we must recognize that under the present system it is possible for a candidate to receive a minority of the popular vote, but a majority of the electoral college vote, and thus to defeat the winner of a popular majority. This has happened only twice since 1824—and once in the dark and singular experience of 1876 which may in fact not be a relevant exception. But it remains a real possibility, an unhappy possibility, and consideration of the Bayh amendment raises a very fundamental question: Does the elimination of that possibility come at the expense of other values equally dear to our constitutional system?

At this time, I am not prepared to resolve that issue. A full and scholarly constitutional inquiry by the Judiciary Committee should precede that judgment. But Senator BAYH is to be saluted for the enormous energy and leadership he has demonstrated in championing this issue. There is none closer to the heart of our democracy.

I am proud to join Senator BAYH, therefore, in the introduction of this proposal. I look forward to working with the Senator, and with the Members of this House in addressing this critical issue. If a constitutional change is in order, we must not hesitate to act. If it is not in order, that too is important for us to understand.

Mr. Speaker, I am attaching to these remarks a copy of the Bayh amendment which I have introduced in the House today:

H.J. RES. 144

Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE—

"SECTION 1. The people of the several States and the District constituting the seat of government of the United States shall elect the President and Vice President. Each elector shall cast a single vote for two persons who shall have consented to the joining of their names as candidates for the offices of President and Vice President. No candidate shall consent to the joining of his name with that of more than one other person.

"Sec. 2. The electors of President and Vice President in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature, except that for electors of President and Vice President the legislature of any State may prescribe less restrictive residence qualifications and for electors of President and Vice President the Congress may establish uniform residence qualifications.

"SEC. 3. The persons joined as candidates for President and Vice President having the greatest number of votes shall be elected President and Vice President, if such number be at least 40 per centum of the whole number of votes cast.

"If, after any such election, none of the persons joined as candidates for President and Vice President is elected pursuant to the preceding paragraph, a runoff election shall be held in which the choice of President and Vice President shall be made from the two pairs of persons joined as candidates for President and Vice President who received the highest numbers of votes cast in the election. The pair of persons joined as candidates for President and Vice President receiving the greater number of votes in such runoff election shall be elected President and Vice President.

"SEC. 4. The times, places, and manner of holding such elections and entitlement to inclusion on the ballot shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations. The days for such elections shall be determined by Congress and shall be uniform throughout the United States. The Congress shall prescribe by law the times, places and manner in which the results of such elections shall be ascertained and declared. No such election, other than a runoff election, shall be held later than the first Tuesday after the first Monday in November, and the results thereof shall be declared no later than the thirtieth day after the date on which the election occurs.

"SEC. 5. The Congress may by law provide for the case of the death, inability, or withdrawal of any candidate for President or Vice President before a President and Vice President have been elected, and for the death of both the President-elect and Vice President-elect.

"SEC. 6. Sections 1 through 4 of this article shall take effect one year after the ratification of this article.

"SEC. 7. The Congress shall have power to enforce this article by appropriate legislation."

PITTSBURGH PUBLIC WORKS EXPERIENCE—A SOUR ONE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. MOORHEAD) is recognized for 5 minutes.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, based on my personal experience and that of the largest community in my district, the city of Pittsburgh, I expect that most comments on the recent distribution of public works funds will be sour ones. I know mine will.

I still believe in the program. I am sure that once implemented these projects will improve local unemployment rates, with the ancillary benefit that many local governments will have much needed public facilities. Yet, there must be a more equitable method of distributing the money.

The city of Pittsburgh, with an unemployment rate of 9.4 percent, much higher than the national average, received not one penny in the recent allocation of funds.

Yet smaller communities contiguous to the city with lower actual jobless rates, did very well.

In fact, the entire western Pennsylvania area did abysmally when compared with our brothers in the eastern part of the State.

Yet this very possibility of funds con-

centrated in one geographic area to the detriment of another—which I warned EDA about weeks before any funds were sent out—did indeed occur.

As I said earlier, I very much support the public works program as a viable antirecession tool. I have joined with the House leadership in introducing legislation to make more public works funds available for local units of government, but there must be changes in the distribution methods if needy governments truly are to be served by this program.

First off, any new funds must go first to those communities with legitimate needs that were denied on the first allocation. This is simple equity.

Second, smaller units of government cannot be permitted to use the unemployment statistics—always much higher—of a larger, parent unit of government.

Third, there must be some priority put on the types of projects to be undertaken. Tennis courts and recreation parks—while important—cannot have the same relevance as public safety facilities, needed utility work, and urgent bridge and road repairs.

While the Congress approved the 70-30 distribution method, we must either alter the formula to guarantee that deserving local government requests are funded or insure that maldistribution within the 70-percent category does not occur. Pittsburgh's needs were ignored, overlooked, because of a computer error. Hogwash, as I told the Assistant Secretary of Commerce, computers do not make errors, it is the people who program them that make the errors. I do not want that to happen again.

I believe that changes such as I have suggested, plus a new administration, which I believe is more attuned than current officeholders to the needs of metropolitan areas and cities, will result in a more fair and judicious parceling out of public works funds.

To further amplify the Pittsburgh experience, I would like to include in the RECORD at this time, a Pittsburgh Press article, detailing a meeting Mayor Peter Flaherty and I had with senior EDA officials, and an editorial from the Pittsburgh Post-Gazette:

[From the Pittsburgh Press, Dec. 31, 1976]

PETE'S FEDERAL FUNDS PLEA FAILS

(By William Wisser)

Mayor Pete Flaherty returned empty-handed from Washington after pleading with federal officials who ignored Pittsburgh in their \$2 billion Christmas Eve giveaway.

Uncle Sam forgot America's 24th most populous city when he gave out the goodies—even though Pittsburgh had submitted a gift list requesting \$29.4 million for 31 public works projects.

"They just never got to Pittsburgh," said Flaherty yesterday upon his return. "They got to about 100 cities and quit."

Congress created the \$2 billion program to stimulate employment.

Seventy per cent of the money was to go to areas where unemployment exceeded the national average of 8.1 per cent.

Pittsburgh—with an unemployment rate of 9.7 per cent—seemed like a sure recipient.

A bridge over Murray Avenue, the reconstruction of 12 streets, new sewers and water lines and repairs to the city water plant, parking garages and Phipps Conservatory

were among the projects on the city's grant applications.

But Steel City didn't finish in the money, while Philadelphia and southeastern Pennsylvania took 34 percent of the cash allocated to the state.

Flaherty and U.S. Rep. William S. Moorhead, D-Shadyside, met yesterday with John Eden, U.S. assistant secretary of commerce, who supervised the giveaway.

According to Moorhead, Eden said he was sorry.

"He was really kind of shocked when he found only 1 percent (of the state allocation for high unemployment areas) went to this area of the state," Flaherty added.

Moorhead reported that Eden said computers made the allocations.

"Don't blame the computers," Moorhead says he retorted. "You program the computers, they do what you want."

Though Pittsburgh didn't get a penny, 15 of 16 Allegheny County suburban communities which were given funds have unemployment rates below the national average.

Monroeville, for example, where unemployment is 5.5 percent, will get \$891,000 to build a new garage.

And Bridgeville, with unemployment at 4.4 per cent, is to receive \$225,000 for sewers and repaving New York Avenue.

The suburban towns were given money out of the 30 percent share allocated nationally for communities with lower than average unemployment.

The struggle, Flaherty indicated, is not between Pittsburgh and its suburbs—but between East and West. And Eastern Pennsylvania won.

The U.S. Commerce Department has the power to correct inequities, but Flaherty held out little hope.

"The problem," he said, "is that the allocations have already been published in the Federal Register."

Meanwhile, House Democrats yesterday proposed doubling the funds. The program was established over President Ford's veto in August to ease unemployment in the building trades.

Rep. James Wright, D-Tex, said legislation to add another \$2 billion to the program will be introduced when Congress reconvenes Tuesday.

President-elect Jimmy Carter favors enlarging the fund, according to Wright. Carter is to consult with congressional leaders next week.

And U.S. Rep. Robert A. Roe, D-N.J., chairman of a House public works subcommittee, sided with big city mayors who blasted the federal funding formula.

Kenneth A. Gibson, mayor of Newark, N.J. and president of the U.S. Conference of Mayors, has asked Congress to investigate allocation of grants in which "smaller local government jurisdictions received a disproportionate share of the money in relation to their population."

Gibson rapped the Ford administration for quietly announcing the grants Christmas Eve and allegedly favoring suburban towns over big cities that are in deep fiscal trouble.

Phoenix, Seattle, Toledo, Chattanooga, Oklahoma City, Pittsburgh, * * * Palm Desert, Calif. got \$2 million.

Flaherty, asked about the proposal to give away an additional \$2 billion, said:

"I want my share now (of the first grants). Plus my share of any further ones."

Armstrong, Butler, Clarion, Clearfield, Indiana, Lawrence and Somerset counties also were ignored in the gift-giving.

The Armstrong commissioners demanded that President Ford investigate.

THE CROSS-EYED ELVES

[From the Pittsburgh Post-Gazette, Jan. 3, 1977]

If God didn't love Glenfield Borough in Allegheny County, he would not have in-

vented the U.S. Department of Commerce. It gifted Glenfield's population of 406 with nearly a half-million dollars in public-works money. To Pittsburgh's half-million population—8.8 per cent of whom are unemployed—it gave nothing.

But then the cross-eyed elves who pose as planners and computer programmers at Commerce apparently made a list and, checking it twice, saw big-city dwellers as naughty and suburbanites as nice.

Which is apparently why they chose to give population runts like Upper St. Clair and Palm Desert, California, over a half-million dollars and \$2 million respectively, while to Phoenix, Seattle, Chattanooga, Oklahoma City, Toledo and Pittsburgh the elves awarded only the hole in the \$2-billion public-works doughnut.

The elves, however, didn't consistently equate bigness with unworthiness. Philadelphia and southeastern Pennsylvania got 34 per cent of the \$58 million programmed for Pennsylvania, compared to the laughable 1 per cent to be sprinkled over all of southwestern Pennsylvania.

To be objective about Commerce's zaniness, however, we should note that public-works contracts let by suburban communities will draw on unemployed building-and-construction tradesmen from the snubbed cities. Still, that a high-unemployment city like Pittsburgh, which submitted proposals for \$30 million in needed construction projects, got not a cent is indefensible—except, perhaps by elf logic.

If the silly grinners at Commerce can't come up with sensible answers, then, Mayor Flaherty and other mayors should instruct their solicitors to make a federal case out of it.

The best way to fight unemployment in Pittsburgh, meanwhile, may be to fire the elves at Commerce.

PANAMA CANAL AND THE MONROE DOCTRINE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, one of the major developments relating to the security of the United States that I have stressed on various occasions in connection with the Panama Canal is the Soviet threat in the Caribbean and its violation of the Monroe Doctrine. These dangers were dramatized in the aggression in Angola by the Soviet-Cuban axis.

Among current writings on this subject is a 1976 booklet by Isaac Don Levine, distinguished authority on Soviet history and policies entitled "Hands Off the Panama Canal," published by Monticello Books, Suite 500, 1735 De Sales Street NW., Washington, D.C. 20036.

A recent perceptive review of this book by Allan C. Brownfeld, an able Washington political analyst, stresses some of the main points in the volume and calls for the rediscovery by the United States of the Monroe Doctrine.

The indicated book review follows:

PANAMA CANAL AND THE MONROE DOCTRINE

(By Allan C. Brownfeld)

Ever since 1823, the Monroe Doctrine has been a basic element in American foreign policy. That Doctrine states clearly and precisely that the United States will not tolerate the interference of any European power in the Western Hemisphere.

Few remember that the Doctrine owes its birth to Russia's imperialist thrust from Alaska south. In 1819, the *St. Louis Enquirer*

spelled it out in these terms: "Americans have failed to notice the advantage of the Russians on the Pacific Coast until they have succeeded in pushing their settlements as far south as Bodega. Their policy is merely the extension of the policy of Peter the Great and Catherine. Alexander is occupied with a scheme worthy of his vast ambitions . . . the acquisition of the gulf and peninsula of California and the Spanish claim to North America."

The matter finally came to a head on July 17, 1823, when Secretary of State John Quincy Adams conveyed his views to the Russian minister in Washington.

"I told him specially," Adams recorded in his diary, "that we should contest the right to any territorial establishment on this continent, and that we should assume distinctly the principle that the American continents are no longer subject to any new European colonial establishments."

In this message, Adams laid the keystone to the forthcoming Monroe Doctrine. "It is indeed the most important principle connected with the Monroe Doctrine," according to Dexter Perkins. The declaration of the Monroe Doctrine was a daring thing for a new nation of 10 million to embark upon. President Monroe, however, managed to prevail.

Today, however, very little is heard about the Monroe Doctrine. The Soviet Union *does* have a colony in the Western Hemisphere—Cuba. The effort by the Cuban-supported radical government of Panama to remove the U.S. from the Panama Canal Zone and take over that U.S. territory is part of a larger effort of the Soviet Union to expand its own power and authority in the Western Hemisphere—something we have been pledged to oppose ever since 1823.

In an important new study, *Hands Off the Panama Canal* published by the American Council for World Freedom, the distinguished journalist and author Isaac Don Levine has placed the Panama Canal dispute in its proper historical perspective.

"What is at stake in the controversy over the Panama Canal," Mr. Levin writes, "is the existing Soviet armed footing in Cuba—a springboard for a leap to the canal—and not the question of replacing the outmoded 1903 treaty with a new pact. That is a matter which can be solved by agreements providing enhanced emoluments and benefits for the great majority of the Panamanian people. The real challenge in the combustible issue is to the vital national interests of the U.S. in a critical strategic area—the Caribbean."

The fact is that Fidel Castro has continued to defy the basic safeguards of the Monroe Doctrine and its inter-American extensions. These safeguards are embodied in a series of accords supplementing the Good Neighbor policy, the crowning point of which is the declaration adopted in Caracas in March 1954 by the 10th Inter-American Conference. There all of the republics in this hemisphere bound themselves to act collectively against "the domination or control of the political institutions of any American state by the international Communist movement, extending to this hemisphere the political system of extra-continental power, which would constitute a threat to the sovereignty and political independence of the American states."

Isaac Don Levine has been a careful observer of the Soviet Union ever since he covered the Russian Revolution as a reporter and was stationed in the USSR as a correspondent for the *Chicago Daily News*. He was the first biographer of both Lenin and Stalin and it was he who first persuaded Whittaker Chambers to speak publicly. He has done all Americans an important service by turning his attention to the question of the Panama Canal—and our much forgotten Monroe Doctrine.

Concerning the notion that the Panama Canal is somehow not sovereign U.S. territory, Mr. Levine declares that ". . . nowhere in all the 26 Articles of the Convention . . . is there any clause reserving our sovereignty or affirming it for the Republic of Panama over the areas granted by it to the U.S. On the contrary, the stipulations of the Convention on the point are crystal clear."

The Monroe Doctrine, Mr. Levine points out, "was fashioned by leaders who were convinced that appeasement invites aggression, that a bully cannot be stopped with diplomatic syrup. . . ."

"The Soviet leap to Angola with the aid of a Caribbean expeditionary force marks a new departure in the strategy of the Kremlin. It sets a precedent of aggression by proxy which cannot be allowed to stand. It must be reversed, and it can be done without firing a shot. Unless that is achieved, the Soviet-Cuban dagger threatening the Panama Canal portends the coming of a catastrophe. . . . The real choice before the U.S. in Panama is between unimpaired American control of the canal and a threatening takeover by the Soviet imperialists. . . ."

It is high time that the U.S. rediscovered the Monroe Doctrine. The Soviet takeover of Cuba is a violation of that Doctrine which we have somehow permitted. If the Panama Canal follows, the Doctrine will be truly dead. A reaffirmation of the Doctrine, Mr. Levine states, "would proclaim to the world the time-honored right of this nation, in the interest of its security, to demand that Castro sever his military ties with the Soviet Union. These ties are in violation of the Monroe Doctrine. . . ."

LEGISLATION TO COMBINE IN ONE BILL PROPOSALS OF NATIONAL WILDLIFE REFUGE SYSTEM AND PRIMITIVE AREAS IN NATIONAL FOREST SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

Mr. UDALL. Mr. Speaker, when the Wilderness Act was enacted in 1964, a new and innovative process of citizen participation in the formulation of Federal land management policy was set in motion. For, while the Wilderness Act required the three Federal land management agencies covered by the act—U.S. Forest Service, National Park Service, and U.S. Fish and Wildlife Service—to review certain qualified lands for possible inclusion in the National Wilderness Preservation System, the act also required public hearings on the results of agency field investigations. Thus, for the first time in the history of public land law, citizen involvement was a required step in agency decisionmaking.

Since 1964 a consistent pattern of citizen participation has emerged. All across the country individuals and groups have conducted their own field investigations of areas which the Agency was then in process of reviewing and have presented their findings at public hearings on the proposed wilderness area. These findings of citizen study teams often have concurred with the Agency proposal, but just as often they have not, differing mainly on boundary locations. Similarly, these boundary differences—usually based on differing opinions on how the entrance criteria contained in section 2(c) of the Wilderness Act should be applied to a

wilderness proposal—have been accepted on occasion by the Agency, but often have been lacking in recommendations later transmitted by the President to the Congress.

In any case, it is the function of the Congress to draw final wilderness boundaries, utilizing all available and pertinent information on each wilderness proposal, when enacting legislation incorporating a wilderness in the National Wilderness Preservation System.

The Wilderness Act required the wilderness review agencies to finish their reviews and the President to make his recommendations to the Congress within 10 years, or by September 3, 1974. While the Forest Service completed its reviews of primitive areas in a planned, systematic manner, Department of the Interior agencies dawdled along creating a situation where field reviews on most areas were not completed until late 1973 and early 1974. Recommendations by the President on the last of these areas were not sent to the Congress until several months after the 10-year deadline, thus creating a backlog of areas awaiting congressional consideration. As a matter of fact, when combined with other wilderness proposals remaining from previous session, a considerable backlog was created. This backlog was reduced somewhat by the 94th Congress when 32 areas were designated as wilderness. Still remaining are 39 national wildlife refuge proposals, 15 national forest primitive areas, and 40 national park units.

Mr. Speaker, the bill I am introducing today combines in one bill all National Wildlife Refuge System proposals and primitive areas in the National Forest System now pending before the Congress for consideration as wilderness. These proposed wilderness areas constitute the entire backlog of these two land conservation systems which have been reviewed by the administering agency pursuant to the review requirements of the Wilderness Act. In all cases the proposed wilderness boundaries are those recommended by local citizen sponsors although, I might point out, many of them are identical to those recommended by the agency, including certain boundary adjustments which are proposed for some areas so that adjoining Federal lands containing wilderness characteristics will be administered as wilderness.

Mr. Speaker, wilderness is our country's highest form of land dedication. Values of wilderness to the American people are multiple in nature, not just primitive recreation alone since wilderness is an ecological condition where all values and uses are administered to maintain a natural condition. Wildlife, plant communities, watershed, scenic, and similar values are maintained, oftentimes to the benefit of people far removed from an individual area. I ask my colleagues to join with me in assuring that these wilderness proposals are added to the Wilderness System as part of a continuing effort to fulfill the promise of the Wilderness Act of 1964 "To secure for the American people of present and future generations the benefits of an enduring resource of wilderness."

THE RELEASE OF PALESTINIAN TERRORIST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. DODD) is recognized for 5 minutes.

Mr. DODD. Mr. Speaker, I would like to express my deep sense of outrage at the French Government's shameless release of Palestinian terrorist Abu Daoud, the suspected mastermind of the 1972 massacre of 11 Israeli athletes at the Munich Olympic games.

France's cursory review of the Israel and West German requests for the extradition of Abu Daoud, and their dismissal on a technicality followed by the sudden release of Daoud constitute one of the worst offenses to justice that we have ever witnessed on the part of the French Government.

In freeing Daoud and providing him safe voyage to Algeria, France has blatantly disregarded its moral obligation to international justice for the sake of the most expedient of political purposes. Clearly, France's priority in this matter appears to be the economic benefits that it stands to gain through the maintenance of close relations with the Arab States.

An assured supply of oil, and continued sales of Mirage fighter jets to Middle Eastern buyers are among the stated goals of French foreign policy, and as of 2 days ago, they seemingly have become its No. 1 consideration.

Today, my priority is to express to the French Government my personal indignation in the face of this act of moral cowardice. With a number of my colleagues, I am sending French President Valery Giscard d'Estaing a telegram in which we convey to him directly our immense disappointment in France's action.

Also, to do more than verbally protest, I am making a personal commitment to engage in a boycott of all French products imported into this country.

I know that millions of Americans share in the horror and grief that much of the world feels in the face of this action by France, and that they would like to show their anger in a personal but concrete way. Thus, I ask all my colleagues, my constituents, and all concerned members of the American public to join me in this voluntary boycott of French products.

It does not by any means entail large sacrifices on our part, but may well succeed in getting the powerful message across to the French Government that it will face our united moral outrage, and perhaps economic hardships, if it continues to act in such a disgraceful manner.

RELEASE OF ARAB TERRORIST IN PARIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

Mr. BINGHAM, Mr. Speaker, it is difficult finding words strong enough to condemn the French decision to release the

architect of the Munich Olympic massacre, Abu Daoud. Recent years have seen many instances of international pusillanimity in dealing with terrorists but this action truly marks a new low. In previous instances various nations have yielded to the demands of terrorists who were holding their nationals hostage in the air or on a desert tarmac. They were able to claim—sometimes justifiably—that they yielded only to spare the lives of innocents and that they had no choice but to surrender. Negotiations were at gunpoint and the terrorists held every advantage.

The French authorities can make no such claim today. French intelligence agents arrested Abu Daoud in Paris. It was a clean arrest. No civilians of any nationality were being held by Daoud's gang. The French held all the cards. There was every reason to expect that the French Government would have honored its extradition treaty with Israel or West Germany and would have dispatched Daoud to some form of justice. Instead Daoud was released, given first class air passage and flown to Algiers, the destination of his choice. The French have thus devised a new strategy in dealing with terrorists—preemptive surrender.

Whether the action was in fear of future terrorist activities or in fear of jeopardizing arms sales to Arab countries, the release presents an appalling spectacle. French authorities might object to our words of reproval and condemnation. Nevertheless they must be made to understand that terrorism is an international problem that must be dealt with in an international forum. It is well within our province to object and to object strenuously.

In Israel today, the widows and children of the 11 slain athletes stand helpless. The murderer of their husbands and fathers is free to murder again. The French Government is free to sell 200 F-1 bombers to Egypt. The franc and the French balance of trade are, for the moment, saved. But what of French honor? The release of Abu Daoud is a blot on the French nation. I have joined with Senator HASKELL and others in both bodies in a strong letter of protest to the French Ambassador to the United States. I only hope that we can begin to convey our sense of outrage.

THE STAMPEDE TOWARD MILITARY RETIREMENT CHANGES

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, each year as the dollar amount of the Defense budget grows, there is increased focus on the personnel portion of the budget. Inflation is forcing an upsurge in all defense costs. If the budget remains approximately constant, personnel will require a greater share of the available dollars than before. Personnel cannot be fully effective without modern weapons. This produces a quandary about military budget policies.

As a result, there have been many rec-

ommendations for change to the military personnel management and compensation systems, with the focus on reduction in personnel costs. One of the principal targets for change is the retirement system. The proposals range in scope from minute adjustments to sweeping overhaul, and they have emanated from widespread sources including the Congress, GAO, private research groups, and the press. Most of the proposals are offered in good faith and some of them provide needed insights into how we may be able to improve the efficiency of defense spending. Many, however, fail to recognize that the military compensation system must be designed to help the services achieve an in-being manpower force of the proper size, age, training, and experience to meet defense requirements. These ideal forces do not just happen.

Retention of trained personnel is essential. To attract and retain the professional cadre, the services have built career management plans that provide visible and stable career progression structures. Unfortunately, many proponents of change have developed their proposals out of context with the personnel management system.

The personnel plans of the services have been constructed after years of reasoned thought, and I am convinced that the retirement system requires the same judicious consideration before changes can be made.

I want to touch on some of the misconceptions evident in the various retirement proposals. For example, advocates of drastic revisions to the military retirement system often base their rationale on the contention that military pay rose 134.5 percent from 1964 through 1975 while the Consumer Price Index rose only 73.4 percent. If viewed in a strictly statistical sense and taken out of context with the significant events which took place from 1964 through the inception of the All-Volunteer Force in late 1971, these statistics seem to lend credence to the critic's claim. One sees an entirely different picture, however, if the period is split into two segments with January 1, 1972, as the dividing point. This date is chosen as a benchmark since it was identified in an annual OSD report to Congress as a point at which military compensation had for the first time attained reasonable competitiveness with the private sector.

Conscious, positive steps were taken to improve the military standard of living, and the competitiveness of military pay. Between October 1966, and January 1972, basic pay was raised 50 percent for careerists and 77 percent for first-term personnel while the cost of living rose only 25 percent. Do not forget the low pay levels of prior years.

The reputed competitiveness of military pay attained in 1972 has not been maintained over the 4 intervening years. Between January 1, 1972, and the recent October 1, 1976, raise, the cost of living has risen by 41 percent while military basic pay has been raised only 30 percent.

To an E-7 with over 18 years of service, this means that his current \$10,800 an-

nual basic pay buys \$590 less than the \$8,300 a comparable E-7 received in 1972. The problem is that the loss of purchasing power is the only experience of the nearly 60 percent of current active duty personnel who have entered the services since January 1972. These personnel have not experienced any of the quantum increases in compensation which occurred in the mid-to-late 1960's. In addition, they have seen a wide range of their benefits reduced under the guise that adjustments were necessary to compensate for the pre-1972 raises provided to move military personnel out of poverty income levels—50,000 families in 1969—and transition to the All-Volunteer Force. These members of the All-Volunteer Force reject the logic that retired reform is necessary because they are overpaid.

Frankly, even with the current compensation and retirement system which critics view as being overly generous, the services are having a hard time meeting their personnel requirements. For example, about 79 percent of enlisted entrants separate prior to attaining 5 years of service. Obviously the conditions of military service which many critics are willing to blithely write off as inconsequential in compensation comparisons are actually considered unattractive as a way of life by a large majority of the civilian labor force.

Critics of the military retirement system usually find it convenient to make such sensational statements as "military retirement costs will be \$35 billion in the year 2000." However, such statements fail to point out that by using the same economic assumptions:

Today's average family income of \$10,000 would be \$36,000;

Today's social security wage base of \$15,300 would be \$55,000;

Today's congressional salary of \$44,600 would be \$160,000.

A more in-depth examination would reveal that the average annual cost of the military retirement system without inflation or pay increase by the year 2000 would actually be only 10 percent greater than it is today. This increase in cost would be attributable solely to increases in the military retired population. The size of the retired population is of course a direct result of public national policy decisions on the size of the military forces required for national defense, to include World War II, and the Korean and Vietnam conflicts. It would be inequitable to allow today's active duty members to be victimized by costs associated with previous national policy decisions.

The sense of urgency for retirement reform is quite often heightened by the common misconception that the size of the military retiree population will continue to increase forever. Contrary to this belief, projections show that the retiree population will peak in approximately the year 2005, after which it will decline slightly and stabilize. Of course, as the population stabilizes so will retirement costs.

Critics who contend that military pensions are too high in relation to desired

levels often base their conclusions on comparisons with the private and public sectors. A benchmark often used is pensions as a percent of final salary after 30 years of service which results in percentages of 59 and 62 for enlisted and officers respectively. This type of comparison does not recognize the real world, that is, that because of the selective retention feature of the personnel management system the vast majority of military personnel are forced to retire short of a 30-year career. A more realistic display of military pensions as a percent of final salary is as follows. The table treats total military compensation, not just basic pay, as a comparison with total civilian compensation:

Years of service and percent of salary

	Years	Per- cent
04	20	40
05	23	46
06	29	59
E-4	20	34
E-5	20	35
E-6	23	41
E-7	25	46

*NOTE.—Regular military compensation (RMC) is basic pay, basic allowance for quarters, basic allowance for subsistence, and tax advantage and is considered to be the military equivalent of civilian salary.

Incidentally, these percentages are pretty much in line with those found in paramilitary civilian organizations—police and fire departments—organizations which must maintain a vigorous, youthful work force.

The limited room at the top of the military organization structure coupled with the objective of a young force, vigorous enough to serve and survive in the field and at sea, requires large numbers of careerists to retire before they reach 30 years service. Accordingly, we need to deal equitably with individuals who have devoted prime earning years to military service and are no longer needed. Members who are forced out to meet personnel management needs of the services are severely disadvantaged by having to enter the civilian labor market—middle aged with limited civilian experience and skills. In this regard, a 1967 DOD study showed that members who enter a "second career" receive income which is on the average smaller than their active duty income just prior to military retirement. Therefore, reducing retired pay on the basis of outside earnings would unfairly single out the military community.

In summary, any change to the military retired pay system must be designed to meet the force management objectives of an armed force, not the practices of civilian employment. The Defense Department has twice submitted a retirement modernization proposal to Congress—one which would complement its personnel management objectives and at the same time provide a savings of near \$12 billion by the year 2000. This proposal will no doubt be submitted again. At this juncture, it is difficult to predict whether or not higher priorities will permit congressional consideration of retirement legislation this year. However, if they should, I can assure you

that I intend to play an active role in the development of a retirement modernization proposal which will insure equity to both military personnel and taxpayers.

DR. MARTIN LUTHER KING

(Mr. WHALEN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WHALEN. Mr. Speaker, January 15 is the 48th anniversary of the birth of Dr. Martin Luther King, Jr.

More than any other single person, Dr. King helped put our Nation on the road to racial equality and justice for all. He began his long struggle for freedom in 1955, when a tired black woman in Montgomery, Ala., refused to relinquish her bus seat to a white person, and a 382-day Negro boycott of buses ensued. Thus, Dr. King's courageous attempt to advance humanity through the means of passive resistance and respect for all fellow humans had begun.

More than a man of eloquent words, Martin Luther King, Jr. practiced what he preached. "Civilization and violence are antithetical concepts," he said as he accepted the 1964 Nobel Peace Prize. And throughout his campaign for human freedom and equality, he never once resorted to violence. He said:

I have the audacity to believe that peoples everywhere can have three meals a day for their bodies, education and culture for their minds, and dignity, equality and freedom for their spirits.

Let us remember these principles by which Dr. King conducted his life, and let us honor his commitment to the advancement of civilization.

A resolution has been introduced to authorize the commissioning of a statute or bust of Dr. Martin Luther King, Jr. for placement in the Nation's Capitol. At present, there is not a single statue or portrait of a black American in the Capitol. We can begin to remedy this omission by establishing such a memorial.

Today I have joined a number of colleagues in introducing a resolution which would achieve this goal. This commemoration will do more than honor a great American. It will be a symbol of the dream Dr. King shared with America and with the world. It will be a symbol of the principles for which he sacrificed his life.

Finally, as we honor Dr. King this weekend, let us remember what he said in response to a critic who once asked him when he would ever end his crusade. "We will not be satisfied until justice rolls down like water and righteousness like a mighty stream."

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BAUMAN) to revise and extend their remarks and include extraneous matter:)

Mr. MICHEL, for 5 minutes, today.
Mr. KEMP, for 15 minutes, today.
Mr. KASTEN, for 5 minutes, today.
(The following Members (at the request of Mr. SKELTON) to revise and extend their remarks and include extraneous matter:)
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. TSONGAS, for 5 minutes, today.
Mr. REUSS, for 5 minutes, today.
Mr. WOLFF, for 5 minutes, today.
Mr. RODINO, for 10 minutes, today.
Mr. MOORHEAD of Pennsylvania, for 5 minutes, today.
Mr. FLOOD, for 5 minutes, today.
Mr. UDALL, for 5 minutes, today.
Mr. DODD, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. BAUMAN) and to include extraneous matter:)

Mr. GILMAN in two instances.
Mr. McCLORY in two instances.
Mr. LENT.
Mr. CEDERBERG.
Mr. BAUMAN in 10 instances.
Mr. CORCORAN in two instances.
Mr. RUPPE.
Mr. FORSYTHE.
Mr. HANSEN in two instances.
Mr. MICHEL.

(The following Members (at the request of Mr. SKELTON) and to include extraneous material:)

Mr. BREAUX.
Mr. VANIK.
Mr. RICHMOND.
Mr. GAYDOS.
Mr. DRINAN.
Mr. DOWNEY.
Mrs. KEYS.
Mr. CONYERS.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. MINISH.
Mr. FISHER in three instances.
Mr. BINGHAM in five instances.

ADJOURNMENT

Mr. SKELTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 29 minutes p.m.), under its previous order, the House adjourned until Monday, January 17, 1977, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

394. A letter from the Acting Secretary of Agriculture, transmitting the report on the activities of the Rural Electrification Administration for fiscal year 1976 and the transition period ending September 30, 1976, pursuant to 49 Stat. 1366; to the Committee on Agriculture.

395. A letter from the Deputy Under Secretary of State for Management, transmitting

a report on plans for improving and simplifying the personnel systems of the Department and the U.S. Information Agency, pursuant to section 117 of Public Law 94-350; to the Committee on International Relations.

396. A letter from the Acting Executive Director, Federal Communications Commission, transmitting the report on backlog of pending applications and hearing cases in the Commission as of October 31, 1976, pursuant to section 5(e) of the Communications Act, as amended (47 U.S.C. 156e); to the Committee on Interstate and Foreign Commerce.

397. A letter from the Secretaries of Interior and Agriculture, transmitting the second report on the administration of the act to protect, manage, and control wild free-roaming horses and burros on public lands, for the 24-month period since June 1974, pursuant to section 10 of Public Law 92-195; jointly, to the Committees on Interior and Insular Affairs, and Merchant Marine and Fisheries.

398. A letter from the Director, U.S. Arms Control and Disarmament Agency, transmitting a report on professional and scientific positions established in the Agency During the calendar year 1976, pursuant to 5 U.S.C. 3104(c); to the Committee on Post Office and Civil Service.

399. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report on recruitment and retention of federally employed physicians and dentists, pursuant to section 4(a) of Public Law 94-123; jointly, to the Committees on Veterans' Affairs, Armed Services, Interstate and Foreign Commerce, and Post Office and Civil Service.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California (for himself, Mr. ANDERSON of Illinois, Mr. BEARD of Rhode Island, Mrs. COLLINS of Illinois, Mr. CONTE, Mr. EMERY, Mr. ENGLISH, Mr. GIAIMO, Mr. GONZALEZ, Mr. HORTON, Mr. HOWARD, Mr. HUGHES, Mr. JACOBS, Mr. MCKINNEY, Mr. MITCHELL of New York, Mr. MURPHY of New York, Mr. NATCHER, Mr. PRICE, Mr. ROYBAL, Mr. SIKES, Mr. SIMON, Mr. STEED, Mr. STEERS, Mr. WAMPLER, and Mr. CHARLES WILSON of Texas):

H.R. 1808. A bill to amend title 38, United States Code, to provide for the payment of service pensions to veterans of World War I and the surviving spouses and children of such veterans; to the Committee on Veterans' Affairs.

By Mr. ARCHER:

H.R. 1809. A bill to amend title 5, United States Code, to exclude individuals who are not citizens of the United States from appointment in the competitive service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. JOHN L. BURTON:

H.R. 1810. A bill to amend the Internal Revenue Code of 1954 to provide that proceeds from wagers placed on horseraces will not be subject to withholding; to the Committee on Ways and Means.

By Mr. CARNEY (for himself, Mr. BROWN of Ohio, Mr. BYRON, Mr. DEVINE, Mr. HARSHA, and Mr. LATTA):

H.R. 1811. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign

commerce; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange services; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DON H. CLAUSEN:

H.R. 1812. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. COCHRAN:

H.R. 1813. A bill to authorize the Secretary of the Army to study and recommend to the Congress remedial measures which may be undertaken to eliminate any problem relating to certain major tributaries which drain into the Mississippi River between Bayou Peirre and the Buffalo River in the State of Mississippi; to the Committee on Public Works and Transportation.

By Mr. COCHRAN (for himself, Mr. BEVILL, Mr. DUNCAN of Tennessee, Mr. ELBERG, Mr. HALL, Mr. KETCHUM, Mr. LOTT, Mr. MONTGOMERY, Mr. MURPHY of Pennsylvania, and Mr. WALSH):

H.R. 1814. A bill to amend the Internal Revenue Code of 1954 to exempt from taxation the pay received by members of the National Guard or of Reserve components of the Armed Forces to the extent that such pay does not exceed \$5,000; to the Committee on Ways and Means.

By Mr. CORCORAN:

H.R. 1815. A bill to repeal the provisions of law allowing automatic cost-of-living adjustments in the salaries of Members of Congress; to the Committee on Post Office and Civil Service.

By Mr. CRANE:

H.R. 1816. A bill to provide for the confidentiality of medical and/or dental records of patients not receiving assistance from the Federal Government, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CRANE (for himself, Mr. GRASSLEY, Mr. BROWN of Ohio, Mr. MOOREHEAD of California, Mr. McDONALD, Mr. ARCHER, Mr. LOTT, Mr. MATHIS, Mr. DERWINSKI, Mr. ANDREWS of North Dakota, Mr. COLLINS of Texas, Mr. LAFALCE, Mr. DAN DANIEL, Mr. KETCHUM, Mr. LAGOMARSINO, Mr. LENT, Mr. HYDE, Mr. BURGNER, Mr. TREEN, Mr. DEVINE, Mr. MARTIN, Mr. KINDNESS, Mr. FRENZEL, Mr. CLEVELAND, and Mr. SIMON):

H.R. 1817. A bill to provide that in civil actions where the United States is a plaintiff, a prevailing defendant may recover a reasonable attorney's fee and other reasonable litigation costs; to the Committee on the Judiciary.

By Mr. CARTER (for himself, Mr. DUNCAN of Tennessee, and Mr. MURPHY of New York):

H.R. 1818. A bill to establish a program of comprehensive medical, hospital, and dental care as protection against the cost of ordinary and catastrophic illness by requiring employers to make insurance available to each employee and his family, by Federal financing of insurance for persons of low income, in whole or in part according to ability to pay, and by assuring the availability of insurance to all persons regardless of medical history, and on a guaranteed renewable basis; jointly to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. CRANE (for himself, Mr. DICKINSON, Mr. NEAL, Mr. ENGLISH, Mr. MCKINNEY, Mr. MURPHY of Pennsylvania, Mr. RUNNELS, Mr. ROBINSON, Mr. EDWARDS of Alabama, Mr. ICHORD, Mr. COUGHLIN, Mr. STEERS, Mr. WHITEHURST, Mr. MCCORMACK, Mr. BADHAM, Mr. DUNCAN of Tennessee, Mr. NIX, Mr. HAGEDORN, Mr. COCHRAN, Mr. SCHEUER, Mr. TAYLOR, Mr. BUCHANAN, Mr. LUJAN, Mr. WAGGONNER, and Mr. SIKES):

H.R. 1819. A bill to provide that in civil actions where the United States is a plaintiff, a prevailing defendant may recover a reasonable attorney's fee and other reasonable litigation costs; to the Committee on the Judiciary.

By Mr. DE LUGO:

H.R. 1820. A bill to amend the Tariff Schedules of the United States to increase the personal exemption of miscellaneous articles imported by a resident returning from American Samoa, Guam, or the Virgin Islands to \$400 and to increase the personal exemption of alcoholic beverages imported by a resident returning from American Samoa, Guam, or the Virgin Islands to 1½ wine gallons; to the Committee on Ways and Means.

By Mr. DOWNEY:

H.R. 1821. A bill to amend the Internal Revenue Code of 1954 to allow the deductions of the portion of certain taxes which is allocable to the construction of sewage treatment works; to the Committee on Ways and Means.

By Mr. ECKHARDT (for himself, Mr. ARCHER, and Ms. JORDAN):

H.R. 1822. A bill to modify the project for navigation at Houston Ship Channel (Greens Bayou), Texas, to maintain a 40-foot project depth in Greens Bayou; to the Committee on Public Works and Transportation.

By Mr. FAUNTROY:

H.R. 1823. A bill to provide for the issuance of a commemorative postage stamp in honor of Dr. Martin Luther King, Jr.; to the Committee on Post Office and Civil Service.

H.R. 1824. A bill to designate the birthday of Martin Luther King, Jr., as a legal public holiday; to the Committee on Post Office and Civil Service.

By Mr. FISHER:

H.R. 1825. A bill to amend the Internal Revenue Code to provide renters with a credit against income tax; to the Committee on Ways and Means.

H.R. 1826. A bill to provide that individuals who retired on disability before October 1, 1976, shall be entitled to the exclusion for disability payments under section 105(d) of the Internal Revenue Code of 1954 without regard to the income limitation in such section, and for other purposes; to the Committee on Ways and Means.

By Mr. FORSYTHE:

H.R. 1827. A bill to provide a comprehensive system of liability and compensation for oilspill damage and removal costs, and for other purposes; jointly to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

By Mr. JACOBS:

H.R. 1828. A bill to provide that the changes made by the Tax Reform Act of 1976 to the exclusion for sick pay shall only apply to taxable years beginning after December 31, 1976; to the Committee on Ways and Means.

H.R. 1829. A bill to provide a 2-year extension of time for the payment of so much of any income tax as is attributable to the application to 1976 of the change made by the Tax Reform Act of 1976 in the exclusion for sick pay; to the Committee on Ways and Means.

By Ms. JORDAN:

H.R. 1830. A bill to authorize in certain cases the appointment of a special judicial

prosecutor and investigators to assist grand juries in the exercise of their powers; to the Committee on the Judiciary.

By Mr. KEMP:

H.R. 1831. A bill to restore public trust and confidence in the Congress of the United States and the conduct of its Members; jointly to the Committees on Government Operations, House Administration, the Judiciary, Post Office and Civil Service, Rules, and Ways and Means.

By Mr. LAFALCE:

H.R. 1832. A bill to amend the act of August 16, 1973 (Public Law 93-100) to extend the moratorium on State taxation of federally insured depository institutions; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LEGGETT (for himself, Mr. FORSYTHE, Mr. BREAUX, Mr. MURPHY of New York, Mr. TREEN, Mr. ANDERSON of California, Mr. DE LUGO, Mr. BAUMAN, Mr. STUDDS, Mr. OBERSTAR, Mr. PRITCHARD, Mr. ROGERS, Mr. GINN, Mr. EMERY, Mr. BONKER, Mr. CHAPPELL, Mr. LEHMAN, Mr. PEPPER, and Mr. ROE):

H.R. 1833. A bill to provide for the development of aquaculture in the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MATHIS:

H.R. 1834. A bill to authorize the lease and transfer of tobacco from marketing quotas to farms in contiguous counties within the same State; to the Committee on Agriculture.

H.R. 1835. A bill to require that imported palm oil and palm oil products made in whole or in part of imported palm oil be labeled, to provide for the inspection of imported palm oil and palm oil products, to require that imported palm oil and palm oil products comply with certain minimum standards of sanitation, and for other purposes; to the Committee on Agriculture.

H.R. 1836. A bill to authorize equalization of the retired or retainer pay of certain members and former members of the uniformed services; to the Committee on Armed Services.

H.R. 1837. A bill to authorize and direct the General Accounting Office to audit the Federal Reserve Board, the Federal Advisory Council, the Federal Open Market Committee, and Federal Reserve banks and their branches; to the Committee on Banking, Finance, and Urban Affairs.

H.R. 1838. A bill to require annual appropriations for all obligations and expenditures of the Federal Government; to the Committee on Government Operations.

H.R. 1839. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for the disposal of surplus real property to States and their political subdivisions, agencies, and instrumentalities for economic development purposes; to the Committee on Government Operations.

H.R. 1840. A bill to direct the Administrator of General Services to convey certain land and all improvements thereon to the city of Albany, Ga., for no more than 25 percent of the fair market value of such land; to the Committee on Government Operations.

H.R. 1841. A bill to authorize the establishment of the Chattahoochee River National Recreation Area in the State of Georgia, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1842. A bill relating to the settlement of debts owed the United States by foreign countries; to the Committee on International Relations.

H.R. 1843. A bill to amend the Federal Trade Commission Act (15 U.S.C. 45) to provide that under certain circumstances

exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

H.R. 1844. A bill to amend the Communications Act of 1934 with respect to the renewal of licenses for the operation of broadcasting stations; to the Committee on Interstate and Foreign Commerce.

H.R. 1845. A bill to require manufactures of farm tractors for sale in interstate commerce to mark the engine blocks of such tractors with permanent identification numbers; to the Committee on Interstate and Foreign Commerce.

H.R. 1846. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1847. A bill to amend title 18, United States Code, to provide that any parent who kidnaps his minor child shall be fined not more than \$1,000, or imprisoned for not more than 1 year, or both; to the Committee on the Judiciary.

H.R. 1848. A bill to amend chapter 44 of title 18 of the United States Code (respecting firearms) to penalize the use of firearms in the commission of any felony and to increase the penalties in certain related existing provisions; to the Committee on the Judiciary.

H.R. 1849. A bill to strengthen the penalty provisions of the Gun Control Act of 1968; to the Committee on the Judiciary.

H.R. 1850. A bill to establish a Council on Judicial Tenure in the judicial branch of the Government, to establish a procedure in addition to impeachment for the retirement of disabled justices and judges of the United States, and the removal of justices and judges whose conduct is or has been inconsistent with the good behavior required by article III, section 1, of the Constitution, and for other purposes; to the Committee on the Judiciary.

H.R. 1851. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to require as a condition of assistance under such act that law enforcement agencies have in effect a binding law enforcement officers' bill of rights; to the Committee on the Judiciary.

H.R. 1852. A bill to deny Members of Congress any increase in pay under any law passed, or plan or recommendation received, during a Congress unless such increase is to take effect not earlier than the first day of the next Congress; to the Committee on Post Office and Civil Service.

H.R. 1853. A bill to provide for the elimination of inactive and overlapping Federal programs, to require authorizations of new budget authority for Government programs and activities at least every 4 years, to establish a procedure for zero-base review and evaluation of Government programs and activities every 4 years, and for other purposes; to the Committee on Rules.

H.R. 1854. A bill to accelerate the formation of the investment capital required to expand both job opportunities and productivity in the private sector of the economy; to the Committee on Ways and Means.

H.R. 1855. A bill to repeal the earnings limitations of the Social Security Act; to the Committee on Ways and Means.

H.R. 1856. A bill to amend the Tariff Schedules of the United States with respect

to the rates of duty for palm oil; to the Committee on Ways and Means.

H.R. 1857. A bill to create a National Power Resources Authority for the development of nuclear power facilities, and for other purposes; jointly to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

H.R. 1858. A bill to permit either House of Congress to disapprove certain rules proposed by executive agencies; jointly to the Committees on the Judiciary and Rules.

By Mr. MCKINNEY:

H.R. 1859. A bill to decrease to 16 the minimum age at which a person may file on his own behalf a naturalization petition; to the Committee on the Judiciary.

H.R. 1860. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income amounts won in State lotteries; to the Committee on Ways and Means.

H.R. 1861. A bill to amend the Internal Revenue Code of 1954 to provide an income tax credit for any individual who performs voluntary service for any organization engaged in the treatment, care, or rehabilitation of the physically handicapped or the mentally ill; to the Committee on Ways and Means.

By Mr. MONTGOMERY (for himself, Mr. ROBERTS, Mr. TEAGUE, Mr. BRINKLEY, Mr. HEFNER, Mr. MOTT, Mr. Hall, Mr. WYLIE, Mr. HAMMER-SCHMIDT, and Mr. GUYER):

H.R. 1862. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans, to increase the rates of dependency and indemnity compensation for their survivors, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 1863. A bill to amend title 38 of the United States Code to increase the rates of disability and death pension, to increase the rates of dependency and indemnity compensation for parents, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. MONTGOMERY (for himself and Mr. ROBERTS):

H.R. 1864. A bill to amend title 38 of the United States Code to provide an automobile assistance allowance and to provide automobile adaptive equipment to certain veterans not now qualifying for such benefits; to the Committee on Veterans' Affairs.

H.R. 1865. A bill to amend title 38, United States Code, to increase the rate of a surviving spouse's pension by 25 percent upon attaining age 78; to the Committee on Veterans' Affairs.

H.R. 1866. A bill to amend section 360 of title 38, United States Code, to provide increased awards of service-connected compensation to certain veterans who have suffered the loss or loss of use of paired extremities; to the Committee on Veterans' Affairs.

H.R. 1867. A bill to amend title 38, United States Code, to permit election of current law pension benefits by the surviving spouses of Civil War and Indian War veterans; to the Committee on Veterans' Affairs.

By Mr. MONTGOMERY (by request):

H.R. 1868. A bill to amend title 38, United States Code, to extend the 20-year protection to ratings for children permanently incapable of self-support; to the Committee on Veterans' Affairs.

H.R. 1869. A bill to amend section 3012 of title 38, United States Code, to extend to 120 days the period between notice of, and the effective date for, the reduction or discontinuance of compensation, dependency and indemnity compensation, or pension; to the Committee on Veterans' Affairs.

H.R. 1870. A bill to amend title 38 of the United States Code to assist veterans with a permanent and total service-connected disability due to the loss or loss of use of one

upper and one lower extremity to acquire specially adapted housing; to the Committee on Veterans' Affairs.

H.R. 1871. A bill to amend section 312 of title 38, United States Code, by providing a 2-year presumptive period of service connection for the psychoses which develop within 2 years from the date of separation from active service; to the Committee on Veterans' Affairs.

H.R. 1872. A bill to amend section 315 of title 38, United States Code, to provide an additional compensation benefit to a veteran rated not less than 50 percent disabled on account of a child requiring regular aid and attendance; to the Committee on Veterans' Affairs.

H.R. 1873. A bill to amend title 38, United States Code, to permit certain eligible veterans to purchase up to \$20,000 of national service life insurance; to the Committee on Veterans' Affairs.

H.R. 1874. A bill to amend section 362 of title 38, United States Code, to extend the annual clothing allowance to veterans with service-connected blindness and those who are required to wear hearing aids as a result of service-connected disability; to the Committee on Veterans' Affairs.

H.R. 1875. A bill to amend section 312 of title 38, United States Code, by providing that malignant tumors (cancer) which develop within 5 years from the date of separation from wartime service shall be presumed to have been incurred in, or aggravated, by such service; to the Committee on Veterans' Affairs.

H.R. 1876. A bill to amend title 38, United States Code, to extend eligibility for automobile adaptive equipment to certain additional veterans; to the Committee on Veterans' Affairs.

By Mr. MONTGOMERY:

H.R. 1877. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MICHEL:

H.R. 1878. A bill to prohibit travel at Government expense outside the United States by Members of Congress who have been defeated, or who have resigned, or retired; to the Committee on House Administration.

By Mr. MOAKLEY:

H.R. 1879. A bill to authorize the Secretary of the Interior to study the feasibility and desirability of a Boston Harbor National Recreation Area in the Commonwealth of Massachusetts; to the Committee on Interior and Insular Affairs.

By Mr. MOORHEAD of Pennsylvania:

H.R. 1880. A bill to amend the Defense Production Act of 1950 to include synthetic fuels which may be used as fuels under title III; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MURPHY of New York:

H.R. 1881. A bill to add the Sallor's Snug Harbor National Register District to the Gateway National Recreation Area and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1882. A bill to regulate commerce and to prohibit unfair or deceptive acts or practices in commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PATTISON of New York (for himself and Mr. FISH):

H.R. 1883. A bill to amend title 28, United States Code, to provide that Columbia, Greene, and Ulster Counties, N.Y., shall be included in the northern judicial district of New York; to the Committee on the Judiciary.

By Mr. PERKINS (for himself and Mr. JEFFORDS):

H.R. 1884. A bill to authorize a career education program for elementary and secondary schools, and for other purposes; to the Committee on Education and Labor.

By Mr. PERKINS:

H.R. 1885. A bill to reorganize the executive branch of the Federal Government to eliminate excessive, duplicative, inflationary, anticompetitive, and unnecessary regulation; jointly, to the Committees on Government Operations and Rules.

By Mr. QUITE:

H.R. 1886. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. ROBERTS:

H.R. 1887. A bill to amend title 38, United States Code, to liberalize the provisions for special emphasis in employment of disabled veterans; to the Committee on Veterans' Affairs.

By Mr. ROBERTS (for himself and Mr. TEAGUE) (by request):

H.R. 1888. A bill to amend title 38 of the United States Code with respect to the computation of the 10-year period in which wives and widows may pursue programs of education; to the Committee on Veterans' Affairs.

By Mr. ROBERTS (by request):

H.R. 1889. A bill to amend section 3104 of title 38, United States Code, to permit certain service-connected disabled veterans who are retired members of the uniformed services to receive compensation concurrently with retired pay, without deduction from either; to the Committee on Veterans' Affairs.

H.R. 1890. A bill to amend title 38 of the United States Code to provide that certain persons with a service-connected disability of 30 percent or more, will have 2 years in which to apply for service Disabled Veterans Insurance (RH); to the Committee on Veterans' Affairs.

H.R. 1891. A bill to amend chapter 35 of title 38 of the United States Code in order to provide educational benefits, on a prorated basis, to children of veterans having permanent service-connected disabilities rated at not less than 50 percent but less than total; to the Committee on Veterans' Affairs.

H.R. 1892. A bill to amend section 110 of title 38, United States Code, to liberalize the standard for preservation of disability evaluations for compensation purposes; to the Committee on Veterans' Affairs.

H.R. 1893. A bill to amend the Comprehensive Employment and Training Act of 1973 to provide for preferential enrollment of disabled veterans in programs under that act; to the Committee on Education and Labor.

H.R. 1894. A bill to amend title 38 of the United States Code to authorize a presumption of service connection for cause of death in certain cases involving veterans who had been rated permanently and totally disabled due to service-connected disability for at least 1 year immediately preceding death; to the Committee on Veterans' Affairs.

H.R. 1895. A bill to amend title 38 of the United States Code to provide that certain veterans who were prisoners of war shall be deemed to have a service-connected disability of 50 percent; to deem certain prisoners of war to be permanently and totally disabled for the purposes of receiving wartime disability compensation; to provide hospital care and medical treatment for certain non-

service-connected disabilities of former prisoners of war; to provide a 10-year presumptive period of service connection for chronic diseases of certain prisoners of war, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 1896. A bill to amend title 38 of the United States Code to authorize adaptive equipment for a second automobile or conveyance owned by veterans eligible for assistance under chapter 39 of such title; to the Committee on Veterans' Affairs.

H.R. 1897. A bill to amend section 1903 of title 38, United States Code, to provide a direct long term, low interest loan for the replacement of an automobile or other conveyance previously provided under chapter 39 of this title; to the Committee on Veterans' Affairs.

H.R. 1898. A bill to amend the Internal Revenue Code of 1954 to provide for the repayment of the Federal excise tax on gasoline which is used for personal purposes by certain disabled veterans who are entitled to grants for automobiles with special equipment; to the Committee on Ways and Means.

By Mr. RODINO:

H.R. 1899. A bill to authorize additional judgeships for the U.S. courts of appeals; to the Committee on the Judiciary.

By Mr. RUPPE:

H.R. 1900. A bill to provide a comprehensive system of liability and compensation for oilspill damage and removal costs, and for other purposes; jointly to the Committees on Merchant Marine and Fisheries, and Public Works and Transportation.

By Mr. ST GERMAIN (for himself and Mr. REUSS):

H.R. 1901. A bill to extend the authority for the flexible regulation of interest rates on deposits and accounts in depository institutions, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SARASIN:

H.R. 1902. A bill to amend the Occupational Safety and Health Act of 1970 to further encourage industrial safety, and for other purposes; to the Committee on Education and Labor.

By Mr. SEIBERLING:

H.R. 1903. A bill to amend the Internal Revenue Code of 1954 to encourage the modernization of manufacturing plants by providing an additional investment credit for machinery placed in service in existing manufacturing plants or in nearby plants; to the Committee on Ways and Means.

By Mr. STARK:

H.R. 1904. A bill to provide duty-free treatment for intravenous fat emulsions; to the Committee on Ways and Means.

By Mr. TEAGUE:

H.R. 1905. A bill to amend section 8332 of title 5, United States Code, to allow certain military service to be included in determining the aggregate period of service on which an annuity under such title is based; to the Committee on Post Office and Civil Service.

H.R. 1906. A bill to amend the Internal Revenue Code of 1954 to provide that any trust established for the payment of medical or dental malpractice claims and related expenses shall be tax exempt, and that a deduction shall be allowed for contributions to such a trust; to the Committee on Ways and Means.

By Mr. UDALL:

H.R. 1907. A bill to designate certain lands as wilderness; to the Committee on Interior and Insular Affairs.

By Mr. WAGGONER:

H.R. 1908. A bill to amend the Occupational Safety and Health Act of 1970 to require the Secretary of Labor to recognize the difference in hazards to employees between the heavy construction industry and the light residential construction industry; to the Committee on Education and Labor.

H.R. 1909. A bill to amend the Occupation-

al Safety and Health Act of 1970 to provide that where violations are corrected within the prescribed abatement period no penalty shall be assessed; to the Committee on Education and Labor.

H.R. 1910. A bill to limit U.S. contributions to the United Nations; to the Committee on International Relations.

H.R. 1911. A bill to authorize the provision of assistance to foreign countries in exchange for strategic or critical raw materials; to the Committee on International Relations.

H.R. 1912. A bill to prohibit the Federal Trade Commission from promulgating trade regulation rules which repeal or limit use of holder in due course defenses in connection with the sale or lease of goods or services to consumers; to the Committee on Interstate and Foreign Commerce.

H.R. 1913. A bill to reaffirm the intent of Congress with respect to the structure of the common carrier telecommunications industry rendering services in interstate and foreign commerce; to grant additional authority to the Federal Communications Commission to authorize mergers of carriers when deemed to be in the public interest; to reaffirm the authority of the States to regulate terminal and station equipment used for telephone exchange service; to require the Federal Communications Commission to make certain findings in connection with Commission actions authorizing specialized carriers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 1914. A bill to limit the jurisdiction of the Supreme Court and of the district courts in certain cases; to the Committee on the Judiciary.

H.R. 1915. A bill to increase the penalty with respect to certain offenses involving the commission of a felony while armed with a firearm; to the Committee on the Judiciary.

H.R. 1916. A bill to amend section 98 of title 28, United States Code, to eliminate the divisions in the Western District of Louisiana; to the Committee on the Judiciary.

H.R. 1917. A bill to amend the Migratory Bird Treaty Act to permit the possession by taxidermists of certain migratory birds, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 1918. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

H.R. 1919. A bill to amend sections 170, 2055, and 2522 of the Internal Revenue Code of 1954 to provide a deduction for income, estate, and gift tax purposes for contributions to a section 501(c)(10) organization for the purpose of building or maintaining a building; to the Committee on Ways and Means.

H.R. 1920. A bill to amend certain provisions of the Internal Revenue Code of 1954 to authorize refund of tax on distilled spirits, wines, rectified products, and beer lost or rendered unmarketable due to fire, flood, casualty, or other disaster, or breakage, destruction, or other damage (excluding theft) resulting from vandalism or malicious mischief while held for sale; to the Committee on Ways and Means.

H.R. 1921. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 1922. A bill to amend title XVIII of the Social Security Act to provide coverage for services which may be performed by a dentist on the same basis as presently allowed for physicians under the medicare program, and to authorize payment under such program for all inpatient hospital services furnished in connection with dental procedures requiring hospitalization; jointly,

to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. WAGGONNER (for himself and Mr. CHARLES WILSON of Texas):

H.R. 1923. A bill to recognize the joint development by the State of Louisiana and the State of Texas of a recurring and environmentally sound source of energy represented by the Toledo Bend Dam and Reservoir and exempt Sabine River Authority, State of Louisiana, and Sabine River Authority of Texas, from charges for the use, occupancy, and enjoyment of certain lands of the United States within the Sabine National Forest, Tex.; to the Committee on Agriculture.

By Mr. WHALEN (for himself, Mr. DUNCAN of Tennessee, Mr. EMERY, Mrs. FENWICK, Mr. FRASER, Mr. KETCHUM, Ms. KEYS, Mr. LAGOMARSINO, Mr. MOFFETT, Mr. OTTINGER, Mr. THONE, and Mr. WON PAT):

H.R. 1924. A bill to provide that any increase in the rate of pay for Members of Congress proposed during any Congress shall not take effect earlier than the beginning of the next Congress; to the Committee on Post Office and Civil Service.

By Mr. YOUNG of Florida:

H.R. 1925. A bill to amend title XVIII of the Social Security Act to provide coverage of enterostomal therapy services on the same basis as physical therapy services under medicare; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. ASPIN:

H.J. Res. 136. Joint resolution to restore the Congressional Medal of Honor to Dr. Mary Edwards Walker; to the Committee on Armed Services.

By Mr. BRODHEAD:

H.J. Res. 137. Joint resolution providing for the designation of the week beginning October 9, 1977, and ending October 15, 1977, as "National Gifted Children Week"; to the Committee on Post Office and Civil Service.

By Mr. EDWARDS of Alabama:

H.J. Res. 138. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. FAUNTROY:

H.J. Res. 139. Joint resolution to amend the Constitution to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

By Mr. MATHIS:

H.J. Res. 140. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

H.J. Res. 141. Joint resolution to establish a National Commission on Social Security; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. MCKINNEY (for himself and Mr. STEERS):

H.J. Res. 142. Joint resolution to amend the Constitution to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

By Mr. MITCHELL of New York:

H.J. Res. 143. Joint resolution proposing an amendment to the Constitution of the United States with respect to public prayer and religious instruction; to the Committee on the Judiciary.

By Mr. RODINO:

H.J. Res. 144. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. WAGGONNER:

H.J. Res. 145. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

H.J. Res. 146. Joint resolution proposing an amendment to the Constitution of the United States providing that no public school student shall, because of his race, creed, or color, be assigned to or required to attend a particular school; to the Committee on the Judiciary.

H.R. Res. 147. Joint resolution proposing an amendment to the Constitution of the United States with respect to participation in voluntary prayer or meditation in public buildings; to the Committee on the Judiciary.

H.J. Res. 148. Joint resolution proposing an amendment to the Constitution of the United States relating to the busing or involuntary assignment of students; to the Committee on the Judiciary.

By Mr. FAUNTROY:

H. Con. Res. 58. Concurrent resolution authorizing a bust or statue of Martin Luther King, Jr., to be placed in the Capitol; to the Committee on House Administration.

By Mr. WHALEN:

H. Con. Res. 59. Concurrent resolution authorizing a bust or statue of Martin Luther King, Jr., to be placed in the Capitol; to the Committee on House Administration.

By Mr. JOHN L. BURTON (for himself, Mr. JENKINS, Mr. COTTER, Mr. HEFTTEL, Mr. CAVANAUGH, Mr. MANN, Mr. EVANS of Georgia, Ms. MIKULSKI, Mr. TONRY, Mr. DELLUMS, Mr. MURPHY of Pennsylvania, Mr. CORNELL, Mr. GILMAN, Mr. COCHRAN, Mr. SCHEUER, Mr. PANETTA, Mr. BAUCUS, Mr. BRECKINRIDGE, Mr. MURPHY of New York, Mr. BADILLO, Mr. FOUNTAIN, Mrs. SCHROEDER, Mr. BINGHAM, Mr. FORD of Tennessee, and Mr. CORMAN):

H. Res. 102. Resolution amending rule XXII of the Rules of the House of Representatives to remove the limitation on the number of Members who may introduce jointly any bill, memorial, or resolution, and to provide for the addition and deletion of names of Members as sponsors after the introduction of a bill, memorial, or resolution; to the Committee on Rules.

By Mr. COCHRAN:

H. Res. 103. Resolution expressing the sense of the House of Representatives that the United States should not establish diplomatic or economic relations with Cuba; to the Committee on International Relations.

H. Res. 104. Resolution amending rule XLIV of the Rules of the House of Representatives, relating to financial disclosure; to the Committee on Rules.

By Mr. EDGAR (for himself, Mr. TSONGAS, Mr. ROSENTHAL, Mr. BLANCHARD, Mr. SOLAREZ, Mr. FISH, Mr. LONG of Maryland, Mr. KREBS, Mr. WINN, Mr. McHUGH, Ms. HOLTZMAN, Mr. BRODHEAD, Mr. BURKE of Florida, Mr. PHILLIP BURTON, Mr. KOCH, Mr. MAGUIRE, Ms. HECKLER of Massachusetts, and Mr. MINETA):

H. Res. 105. Resolution condemning terrorist activities and the premature release of Abu Daoud; to the Committee on International Relations.

By Ms. JORDAN:

H. Res. 106. Resolution providing for the creation of congressional senior citizen internships; to the Committee on House Administration.

By Mr. KEMP:

H. Res. 107. Resolution to reform the Rules of the House of Representatives in order to restore public trust and confidence in the Congress of the United States and the conduct of its Members; to the Committee on Rules.

By Mr. MATHIS:

H. Res. 108. Resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on International Relations.

H. Res. 109. Resolution expressing the sense of the House relative to a study by the Secretary of Agriculture on palm oil imports; jointly to the Committees on Agriculture and International Relations.

By Mr. MITCHELL of New York:

H. Res. 110. Resolution concerning the safety and freedom of Valentyn Moroz, Ukrainian historian; to the Committee on International Relations.

By Mr. SISK (for himself, Mr. DON H. CLAUSEN, Mr. CONTE, Mr. DERWINSKI, Mr. FISHER, Mr. HORTON, Mr. LONG of Louisiana, Mr. MOTTL, Mr. ROONEY, Mr. PRICE, Mr. WYDLER, and Mr. ZEPERETTI):

H. Res. 111. Resolution creating a Select Committee on Professional Sports; to the Committee on Rules.

By Mr. TSONGAS:

H. Res. 112. Resolution expressing the sense of the House of Representatives with respect to the release of Abu Daoud, the alleged planner of the 1972 Munich massacre of 11 Israeli athletes, by the French Government; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ANDREWS of North Dakota:

H.R. 1926. A bill for the relief of Dr. Timothy Kam-Hung Chung; to the Committee on the Judiciary.

By Mr. FISHER:

H.R. 1927. A bill for the relief of Cooley Berry; to the Committee on the Judiciary.

H.R. 1928. A bill for the relief of Antanas Zigmias Butkus, Danute Ione Butkus, Loreta Butkus, Raimonda Butkus, and Rimvydas Butkus; to the Committee on the Judiciary.

H.R. 1929. A bill for the relief of Vera Jovancevic; to the Committee on the Judiciary.

H.R. 1930. A bill for the relief of Arlene S. Miller; to the Committee on the Judiciary.

By Mr. HARRINGTON:

H.R. 1931. A bill for the relief of Juana Todd Atherley; to the Committee on the Judiciary.

H.R. 1932. A bill for the relief of Phillip Thacker; to the Committee on the Judiciary.

H.R. 1933. A bill for the relief of Valmi Thacker; to the Committee on the Judiciary.

By Ms. JORDAN:

H.R. 1934. A bill for the relief of Dr. Lawrence C. B. Chan; to the Committee on the Judiciary.

By Mr. McFALL:

H.R. 1935. A bill for the relief of Stockton Townhouse, Inc.; to the Committee on the Judiciary.

By Mr. MCKINNEY:

H.R. 1936. A bill for the relief of Joseph Lee Soryung; to the Committee on the Judiciary.

By Mr. MITCHELL of New York:

H.R. 1937. A bill for the relief of GFM Co.; to the Committee on the Judiciary.

By Mr. SISK:

H.R. 1938. A bill for the relief of Santos Marquez Arellano; to the Committee on the Judiciary.

H.R. 1939. A bill for the relief of Meda Ablay Florin; to the Committee on the Judiciary.

H.R. 1940. A bill for the relief of Dimitrios Panoutsopoulos, Angeliki Panoutsopoulos, and Georgios Panoutsopoulos; to the Committee on the Judiciary.

H.R. 1941. A bill to permit O. J. Shaw and Haroldine L. Shaw, his wife, and O. J. Shaw, Jr., a married man, and Richard A. Shaw, a single man to name the United States as a defendant in a suit to determine title to certain parcels of real property herein described; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

REMOVING THE EARNINGS LIMITATION ON SOCIAL SECURITY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 12, 1977

Mr. GILMAN. Mr. Speaker, today I am introducing legislation eliminating the earnings limitation on social security benefits paid to individuals age 65 and over.

Under the present social security system, individuals between age 65 and 71 receive a reduced social security benefit of \$1 for every \$2 earned above \$3,000 a year—or \$250 per month. Individuals who are age 72 and over are exempt from this earnings limitation and may receive their entitled social security benefits regardless of the amount of their earned income.

Mr. Speaker, according to a Social Security Administration publication entitled "Monthly Benefit Statistics"—December 28, 1976—20.5 million retired workers and their dependents were eligible in 1976 for social security benefits amounting to nearly \$4.2 billion. Francis J. Crowley of the Congressional Record Service, in a paper entitled "The Social Security Retirement Test," stated:

The Social Security Administration actuaries intimate that in 1976 the cost [of repealing the retirement test] would be about \$6-\$7 billion. If the test were eliminated for people age 65 and over . . . the average cost would be about . . . \$2.7 billion.

Some authorities claim that at least 2.5 million retired workers between age 65 and 71 are directly affected by the earnings ceiling, and other authorities are not certain as to the amount of revenue that would be returned to the Treasury through income taxes if the earnings ceiling was lifted. Fortunately, some aspects of the retirement test are clear and I would like to share the following thoughts with my colleagues:

First, many senior citizens cannot retire on the combined social security benefits and the low earnings limitation. In the current, highly inflated economy, these individuals must work in order to support themselves. But if they work and their earnings exceed \$3,000 a year—or \$250 per month—then they are denied their full social security benefits—benefits that they and their employers contributed through payroll deductions and benefits that morally, if not legally, belong to the retiree.

To argue that the social security program was created to insure against loss of income "following withdrawal from employment and not, like private insurance, to provide annuities at a prescribed fixed age" is a broken promise to every individual who contributes hard earned wages to the social security program and who expects, upon retirement, to receive the full benefits without any conditions attached to the promise. Citing his own

situation as typical of many senior citizens, Richard L. Tobin, executive director of the Saturday Review, recently stated in the New York Times:

If your income derives from stocks or bonds and not from a paycheck, you can collect the whole Social Security check each month. But for those of us who live from paycheck to paycheck, and whose income comes directly from the sweat of our aging brow, there is little or no chance of our beginning to collect on the Social Security benefits we've been entitled to ever since we hit 65.

For senior citizens who must live "from paycheck to paycheck," the earnings limitation attached to social security benefits, robs these citizens, as Mr. Tobin further stated, "of a chance to retire, at least partially."

Second, the earnings ceiling promotes the wrong set of values. It encourages some elderly individuals who are willing and able to work, not to work out of fear of suffering reduced social security benefits—or no benefits at all. Senior citizens who are able to continue their occupational endeavors do not fully receive their benefits from the social security program, but they inequitably continue to pay into the program, supporting their able contemporaries who elect not to work, and pay income taxes on their earnings.

Historically, this Nation has valued self-reliance and the work ethic. Penalizing elderly citizens who are willing and able to work by reducing their social security benefits is detrimental to this precept and discourages able senior citizens from working. It robs our older Americans of their self-esteem, personal dignity, and self-reliance, promoting their institutionalization. Productive senior citizens become premature candidates for nursing homes or park bench pigeon feeders.

Finally, the argument that able senior citizens deprive younger individuals of employment has not been thoroughly studied or demonstrated, especially since many elderly citizens reduce their occupational activity or become semi-retired—but, for many of these citizens, at the expense of their entitled social security benefits. However, even if the argument has some merit, this would be a high price for this Nation to pay. An earnings limitation and other policies that promote forced retirement of elderly individuals deprive this Nation of valuable skills and talents. With unemployment at unacceptably high levels, let us not perpetuate this economic condition by discouraging elderly citizens from working by reducing their hard earned benefits.

I support repeal of the retirement test, but in the alternative, I support increasing the earnings ceiling on social security benefits paid to senior citizens.

Mr. Speaker, in the interest of encouraging our older Americans who are willing and able to work without being penalized by reduced social security benefits, I am inserting at this point in the

Record the complete text of my bill, and I urge my colleagues to fully support this legislation.

H.R. 1768

A bill to amend title II of the Social Security Act to reduce from seventy-two to sixty-five the age beyond which deductions on account of an individual's outside earnings will no longer be made from such individual's benefits

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsections (c)(1), (d)(1), (f)(1)(B), and (j) of section 203 of the Social Security Act are each amended by striking out "seventy-two" and inserting in lieu thereof "sixty-five".

(b) Subsection (f)(3) of such section 203 is amended by striking out "age 72" and inserting in lieu thereof "age 65".

(c) Subsection (h)(1)(A) of such section 203 is amended by striking out "the age of 72" and "age 72" and inserting in lieu thereof in each instance "age 65".

(d) The heading of subsection (j) of such section 203 is amended by striking out "Seventy-two" and inserting in lieu thereof "Sixty-five".

SEC. 2. (a) The last sentence of section 203(c) of the Social Security Act is amended by striking out "nor shall any deduction" and all that follows and inserting in lieu thereof "nor shall any deduction be made under this subsection from any widow's or widower's insurance benefit if the widow, surviving divorced wife, or widower involved became entitled to such benefit prior to attaining age 60."

(b) Clause (D) of section 203(f)(1) of such Act is amended to read as follows: "(D) for which such individual is entitled to widow's or widower's insurance benefits if she or he became so entitled prior to attaining age 60, or."

(c) Section 203(f)(5)(D) of such Act is repealed.

SEC. 3. The amendments made by this Act shall apply only with respect to monthly insurance benefits payable under title II of the Social Security Act for months in taxable years ending after the date of the enactment of this Act.

BILL TO PERMIT INDIVIDUALS WHO HAVE RETIRED ON DISABILITY OR WERE ENTITLED TO RETIRE ON DISABILITY TO CONTINUE TO BE COVERED BY THE SICK-PAY EXCLUSION AS IT EXISTED PRIOR TO THE TAX REFORM ACT OF 1976

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mr. FISHER. Mr. Speaker, today I am reintroducing a bill I offered last fall to enable those individuals who had retired on disability or were entitled to retire on disability as of October 1, 1976, to continue to claim the so-called "sick-pay" exclusion of \$5,200 per year for disability payments received.

Although I voted for the Tax Reform Act of 1976 and strongly supported many

of its reform measures, I did so despite my strenuous objection to particular sections of the bill.

One of those sections which I strongly opposed was the change made under the bill to the so-called sick-pay exclusion from income for disability payments received. After an initial waiting period, the sick-pay exclusion as it existed prior to passage of the Tax Reform Act permitted an employee to exclude from income up to \$100 per week received under wage continuation plans when he is absent from work on account of injury or sickness.

The tax reform bill retains the maximum annual exclusion of \$5,200 for disability payments but establishes new requirements which a taxpayer must meet in order to qualify for the exclusion. First, beginning with this taxable year, the sick-pay exclusion will be available only to taxpayers under 65 years of age who are permanently and totally disabled. Permanent and total disability is defined in the conference report to require that a person be unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be reasonably expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. In addition, the conference report indicates that proof of disability must be substantiated by the taxpayer's employer who must certify that the disability status assigned to the individual was approved under procedures acceptable to the Internal Revenue Service.

Of perhaps even greater importance to residents of northern Virginia is a second additional requirement that reduces the amount of the \$5,200 annual exclusion on a dollar-for-dollar basis for each dollar of the taxpayer's adjusted gross income in excess of \$15,000. Thus, a disabled retiree would no longer be entitled to any portion of the \$5,200 exclusion when his adjusted gross income reaches \$20,200. This provision blatantly discriminates against married couples by requiring that the disabled retiree's income be combined with that of his spouse in determining whether the taxpayer's adjusted gross income exceeds \$15,000.

Although abuses of current law occurred when certain individuals were improperly classified as disabled on retirement simply to obtain the benefits of the exclusion from income, nonetheless, I feel that Congress has overreacted to this situation by penalizing those who had legitimately retired on disability in reliance on the current income tax treatment of "sick-pay." Instead of urging that the standards to be met in order to qualify for disability status be tightened at the employer's level, the approach adopted in the bill fixes a rigid standard in the tax laws which has the effect of changing the conditions under which a substantial number of disabled people had previously retired.

Moreover, the income ceiling of \$15,000 deals a particularly cruel blow to residents of a high cost-of-living area, such as northern Virginia. Worse still is the effective date of the new provision, which

applies to this taxable year and all subsequent years. Thus, individuals who relied upon current law in preparing their estimated tax return may find that they owe a whopping tax bill at the end of the year because of this retroactive change in the law.

To remedy this harsh result, Mr. Speaker, today I am introducing a bill that will enable those who have retired on disability on or before October 1 of this year or who were entitled to retire on disability as of that date to continue to receive the \$5,200 annual exclusion for disability payments or sick-pay received. The income ceiling would not apply to those covered by this rule.

Furthermore, my bill will promote equity under the tax laws by placing civil service and private disabled retirees under roughly the same standards as military retirees. Under the Tax Reform Act as passed, all those who had joined the Armed Forces as of September 24, 1975, will continue to be protected under the law as it existed prior to enactment of the Tax Reform Act. I sponsored the move to protect all servicemen and would like to extend this principle of fairness to include retirees from civil service and private employment, who retired on disability partially in reliance on the income tax treatment of sick-pay and disability as it was prior to the Tax Reform Act. I believe that fairness and equity dictate that they not be penalized because of a change in the tax laws, but instead that they be permitted to receive the benefit of the "sick-pay" exclusion from income without regard to the new standards or the income ceiling, if they were retired or entitled to retire as of October 1 of last year.

JUDGE MILLER RETIRES

HON. JOHN B. BREAU

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mr. BREAU. Mr. Speaker, the long and outstanding career of one of the leading members of the Louisiana judiciary has come to a close with the retirement of Third Circuit Court of Appeals Judge Minos D. Miller, Jr.

The honorable judge began his service in 1953 as the sole 31st judicial district judge, a post he held for 15 years and held well, having been cited by the Judicial Administrator of Louisiana for maintaining a current docket with no backlog of cases.

In 1968 he was elected to the appellate court and has served many times on the State supreme court by special appointment. Judge Miller has also chaired or served on numerous special committees appointed by the supreme court dealing with the administration of justice, a vital concern to us all.

It is a record you would expect from a man so willing to serve his country. Miller served in the U.S. Navy for 4½ years and was awarded the Purple Heart when his plane was shot down over the island

of Formosa. A combat pilot on the USS *Wasp*, he was captured by the Japanese and held until the end of World War II as an unregistered prisoner in various Japanese prison camps. At the end of hostilities he was found in a prison camp in Omori, Japan and returned to the United States for rehabilitation, where he was personally greeted by President Harry Truman.

His life back in the States since that time has been equally impressive. Judge Miller's untiring activities in church, charitable, and civic organizations over the last 30 years are too numerous to detail here, but those of us who have been privileged to work with him—or merit his friendship—have reaped professional and personal rewards from his counsel, his wisdom, his work and his goodness. I am glad to have had that opportunity—and know that the man will be sorely missed.

JAMES A. PAVLICEK, SYMBOLIC
OF SCOUTING

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mr. GAYDOS. Mr. Speaker, the achievement of Eagle Scout in the Boy Scouts of America is an honor shared by relatively few Americans. It is an award which requires considerable time, effort and talent on the part of the Scout and a great deal of sacrifice and dedication on the part of those who advise him.

Consequently, when a young American attains this honor, I feel privileged to call it to the attention of my colleagues in the Congress of the United States. In this particular instance, I am speaking about a young man from North Braddock, Pa., James A. Pavlicek.

Jim is an active member of Troop 344 at St. Helen's Roman Catholic Church in east Pittsburgh, and his attainment of the Eagle Scout rank tops a long list of accomplishments: Holder of various offices in the troop, 26 merit badges, 11 skill awards, 2 historical trail awards, and the Ad Altari Dei Medal. He also holds membership in the Braddock General Hospital Explorer Post and the Brotherhood of the Order of Arrow.

Jim now is working to attain certification as a junior scoutmaster as well as striving for the Pope Pius religious emblem and an Eagle palm.

Quite frankly, I believe Jim Pavlicek could serve as an example of what the Boy Scouts of America represents. One of six children, he is a hardworking youth who contributes to the family's financial responsibilities by holding down three paper routes and a part-time job at a local restaurant.

According to his scoutmaster, Mr. Joseph F. Venturella, Jim is an excellent student at St. Thomas' High School in Braddock. His interest in photography has led to his serving as the official photographer for Troop 344. And, following graduation, Jim has his eyes set for a career in medicine.

Mr. Venturella is understandably proud of his young charges. He points out the troop is relatively young, having organized in 1964, but in a short period of time three of its members have attained the coveted rank of Eagle Scout. The troop, he reports, is an active one; camping from Pittsburgh to Canada and participating in various community projects; tree plantings, litter cleanup campaigns and pageants.

Mr. Speaker, on behalf of the Congress, I extend our official congratulations to James A. Pavlicek, who, in the words of Mr. Venturella, is a "citizen, Scout, and student who has proven to be a credit to his family and his community."

TONY PIET CELEBRATES 70TH
BIRTHDAY

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mr. RUSSO. Mr. Speaker, last month a remarkable gentleman in Illinois celebrated his birthday and today I want to extend a belated congratulations to Mr. Tony Piet, 70 years young.

I also want to tell my colleagues about Tony Piet. It is a pleasure to know him and I feel my colleagues would share in my admiration and respect for him if they were fortunate enough to know him personally.

Anthony F. Piet, Sr. was born December 7, 1906 in Berwick, Pa., to John Stanley and Mary Danczuga Stanley. For 44 years he and wife Panina have shared a beautiful marriage and they raised a fine family of four: Natalie Jean, Letitia Joyce, Antoinette Celeste, Anthony F. Piet, Jr.

In 1929, in the little town of Corsicana, Tex., Tony Piet entered professional baseball. It was a career that would last nearly 10 years and find him wearing the uniform of the Pittsburgh Pirates, the Cincinnati Reds, the Chicago White Sox, and the Detroit Tigers.

Tony's skills and talents extended well beyond the baseball field and after his retirement from the game he became founder and then chairman of the board of Tony Piet Motor Sales in Chicago. He also demonstrated his compassion and his willingness to share his talents by organizing Baseball Anonymous—to provide aid to former baseball players—and organizing the Little League baseball club on Chicago's south side as well as organizing and serving as president of the Marquette Little League Baseball Club.

Tony has an extensive list of honors and awards, such as the Chicago Park District "Man of the Year Award" as an Adult Youth Leader, the Outstanding Service Award from the Chicago Lawn Moose, WTZO Radio's Man of the Year Award, the Regional Ben Franklin Quality Dealer Award, and the Brand Name Retailer of the Year Certificate of Distinction.

This energetic gentleman is, as you might imagine, an active member of many community, business and service groups, such as the Marquette Manor

Chamber of Commerce, the Professional Baseball Player Association, Knights of Columbus, and the Chicago Automobile Trade Association, to cite just a few.

Perhaps nothing says more about the nature and character of a human being than the way in which those who know him best feel about him. At the birthday party in his honor last month, it was clear that Tony has the love and respect of those who know him. He is a person who cares about and gives of himself to others. He surely deserves, and I wish for him, many days of continued sunshine and joy—just the kind of day you experience at White Sox Park with the Sox seven up in the ninth on a balmy June afternoon.

WOODSTOCK, ILL., RESTORES
HISTORIC OPERA HOUSE

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mr. McCLORY. Mr. Speaker, we talk a great deal about grave problems in this House, about issues of economics and national defense, unemployment and human justice. Today, I wish to relate a story of a community proud of its historic past, its prosperous present, and its promising future.

Woodstock, Ill., in my 13th Congressional District, became aware in 1974 that a glorious structure it calls its opera house was not a relic of the past but was as essential to the city's well-being as good air, good water, and good government.

Those of us who know and love Woodstock, the county seat of McHenry County, cannot imagine its town square without the old opera house which began its career both as the city hall and opera house. It is to Woodstock as the U.S. Capitol is to Washington, D.C.—its scepter and its crown.

On Saturday, February 5, Woodstock will dedicate its restored opera house. I look forward eagerly to being there, because as we as a nation learned so vividly during our Bicentennial last year, only those who recognize the cultural, historic, and political roots that produced them can fully grasp the present or seek to mold the future.

Mr. Speaker, it is with pleasure and pride that I share with my colleagues some of the history of this building generously sent me by Mrs. Lillian Strohm, a dedicated and highly motivated constituent who is president of the Woodstock Opera House Community Center.

Woodstock, which now has a population of 15,000, became a city in 1873. By 1889, work had begun on this extraordinary building with an exterior in the "Romanesque revival" style and an interior called "Steamboat Gothic" and "carpenter style"—a jewel of that period we call Victorian.

It was dedicated in style in 1890 befitting the dream it represented. The Patti Rosa Players, then billed as the leading opera troupe in the Midwest, performed "Margery Daw" for the grand opening.

In 1934, a notable series of perform-

ances was held. A young man from Kenosha, Wis. named Orson Welles, was attending the Todd School, an executive boys' school then located in Woodstock. The summer festival series that year included such classics as "Hamlet" and "Macbeth" and was attended by luminaries such as the distinguished author and playwright Thornton Wilder, who then was teaching in Chicago. When the festival ended, Mr. Welles left Woodstock to join Katharine Cornell for the winter season.

In 1948, several seasons of winter stock played the Opera House. Their casts included Geraldine Page, Paul Newman, Shelley Berman, Tom Bosley, Betsy Palmer, and Lois Nettleton. Days they worked in local stores or offices and nights they trod the boards at the Opera House as members of the Woodstock Players.

But by 1974, city offices had been moved elsewhere. Should Woodstock destroy or restore the Opera House building? The community rallied. Local citizens headed by Marjorie Sharpe, president of the Woodstock Fine Arts Association, got the Opera House placed on the National Register of Historic Places.

The Woodstock Opera House Community Center, Inc., came into being to restore it. Don Still of the Woodstock State Bank served as treasurer; Ray Pensinger, a local doctor, was president, and Mrs. Strohm became executive secretary.

People responded. Of the approximately half million dollars the final restoration will cost, two-thirds came from individuals in amounts from a dollar to \$50,000, and one-third will come from the city itself. The largest private donation came from Alice and the late Dave Joslyn, lifetime Woodstock people whom I have known for years.

Dave's grandfather, Mayor Merritt Joslyn, signed the bill to erect the Opera House in 1888. The auditorium, where I have been a guest many times, will be named the Alice and David Joslyn Auditorium.

Mr. Speaker, unfortunately there is neither time nor space to list all the names of those responsible for this great civic outpouring. But I do want to cite the current elected Woodstock officials: Mayor H. Joseph Gitlin, and council members Richard Hahn, James Shoemaker, Frances Kuhn, and Ralph Stork.

Mr. Speaker, in the jargon of the bureaucracy what Woodstock has done might be called urban renewal. I see it as much more. To preserve what mattered yesterday for today and tomorrow requires far more than brick and stone and plaster. I call it spiritual renewal.

DEDICATING A NEW ARK

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mr. WOLFF. Mr. Speaker, in the Jewish faith, the ark is the traditional house for the Torah—"the tree of life for those who take hold of it." The ark is the first thing that the Hebrews built and carried with them for 40 years across the

Sinai, once out of Egypt. It is therefore understandable that the ark is one of the most important objects that a synagogue will own, for it is the birth of Jewish law.

On December 19, 1976, the Great Neck Synagogue, of Great Neck, Long Island, dedicated a new ark. The ark was dedicated in the honor of Rabbi Dr. Ephraim R. Wolf "in recognition of his 20 years of devoted service" to his congregation. For a congregation to dedicate an ark is perhaps the greatest honor that they can bestow on their rabbi. I had the great pleasure and honor to participate in this special service on behalf of the Great Neck community. I was more than pleased to share this great day with Rabbi Wolf, his family, and his congregation. Sharing with me in this celebration of their new ark and devoted rabbi were Mac Mender, chairman, board of trustees; Godfrey Dallek, master of ceremonies; David Yagoda, president, Great Neck Synagogue, and Rabbi Dr. Israel Miller, vice president of Yeshiva University.

HAPPY 92D BIRTHDAY

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mr. FORSYTHE. Mr. Speaker, January 11 marked the 92d birthday of a woman, whom I am proud to say is a member of my constituency, who was a champion of equal rights for the woman's movement, Miss Alice Paul.

Miss Paul never subscribed to the notion that women were second-class citizens. Educated at Swarthmore in 1905, she earned her Ph. D. at the University of Pennsylvania in 1912 at a time when women rarely were permitted to enter college. Immediately she became active in the suffragette movement.

Organizing the National Woman's Party, which had a membership of 50,000, she battled for passage of the 19th amendment. Finally, after many years of being beaten and jailed for her causes, the 19th amendment was ratified by the States.

Although the women's party distintegrated into confusion as to its future role after the amendment's passage, Miss Paul's efforts for total equality for women continued on. She worked diligently to gain complete equality for women through the passage of an equal rights amendment to the Constitution. This struggle began in 1923. While it is not widely known, Miss Paul wrote and had introduced into the U.S. Congress the first equal rights amendment. The spirit of that first amendment was constantly introduced from that point on until its passage by this body in 1972.

My fellow Members, we all owe a debt of gratitude to Miss Paul for her tireless efforts on behalf of freedom and equality. Her motto, "equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex" is still a worthwhile goal. I am sure that my colleagues will join with me in wishing her a happy birthday.

THE SOBERING STORY OF AUSTRALIA'S BIG SPENDING

HON. ELFORD A. CEDERBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mr. CEDERBERG. Mr. Speaker, as President Ford stated last night, we have come a long way under his stewardship. We have a ways to go yet, and it will be the challenge of this Congress and the new President to strive for the goals which all Americans seek.

We must, however, keep the lessons of history in mind. Our own recent economic difficulties can be instructive. We can also, however, learn from the experiences of our friends around the world. We are all familiar with the impact which the unrestrained growth of social programing has had on governments such as Britain and Sweden. Great Britain is today struggling under something close to economic chaos.

In this connection I bring to the attention of my colleagues an article from the January 1977 issue of Reader's Digest outlining the experience of Australia. The article states graphically and starkly the result of leaping before we take a good hard look at the cost of Government programs. We can and must meet the legitimate needs of our citizens. The experience of the Australians, however, reminds us of the need for prudence and caution. I commend the article to my colleagues' careful consideration:

THE SOBERING STORY OF AUSTRALIA'S BIG SPENDING

(By Anthony Paul)

In April 1975, the Australian economy was in its worst shape since the Great Depression. The country's socialist Labor government was running a \$3-billion deficit, five percent of the gross national product. Business confidence had all but vanished, unemployment had soared to the highest level in 30 years and inflation had accelerated to an annual rate of 13.4 percent. In Canberra, Australia's federal capital, a wry joke went the rounds: "The only Australian factory working day and night is the government mint."

Eight months later, the Australian people, in their most decisive vote in recent history, threw the Labor government out of office. But the story of Labor's three-year rule makes a sobering case study of what can happen to even such an economically advantaged country as Australia when high-spending proponents of big government are voted into power.

Australia, the "Lucky Country," as Australians began calling it in the 1960s, has one of the world's highest living standards. With a population of 13.5 million, it produces much of the West's wool, wheat and sugar. Minerals abound: 70 percent of the world's zircon; a near-monopoly of titanium ore; one quarter of the non-communist bloc's uranium; plentiful supplies of coal, iron, copper, bauxite, silver, lead and zinc.

According to World Bank figures, Australia also has the West's most egalitarian economy, with the smallest gap between rich and poor. When Labor came into office in late 1972, unemployment was just 2.4 percent and inflation 4.5 percent—an economic performance matched only by West Germany. And with 70 percent of Australia's oil coming from local wells, she should have been relatively insulated from the world inflation that the oil-producing countries' sudden price in-

creases in 1973 would bring. Nevertheless, by 1974 Australia's economy was in a frightening mess. Inflation had soared as high as 28 percent in a single month. Why? A July 1975 International Monetary Fund survey stated it bluntly: "The origins of the Australian recession are to be found in domestic development."

MONEY MILL

Those developments began in mid-1972. A conservative coalition of the Liberal Party (representing the urban middle class) and the National Country Party (representing rural interests) had been governing without interruption since 1949. Despite a good record in managing Australia's postwar development, the senior coalition member, the Liberal Party, appeared to have stagnated after so long in office. And in the 1972 election it was not able to counter the appeal of a dynamic Labor leader, 56-year-old Sydney lawyer Gough Whitlam. For the first time in nearly a quarter-century, normally conservative Australians elected a socialist government.

Within days of taking office, the Whitlam government plunged into a socialist-minded restructuring of the Australian economy. New expenditures were voted for free college education, increased aid to schools, higher unemployment compensation and old-age pensions, and subsidies for sports and the arts. "Few of us bothered to count the cost in those early days," Fred Daly, one of Whitlam's ministers, later confessed. "We spent money as if it were going out of fashion."

Almost immediately, inflation accelerated: the consumer price index jumped 8.2 percent in the first six months of Labor rule. Increased unemployment benefits and relaxed eligibility regulations began to foster a welfare mentality. One economist estimated that 10,000 persons stopped working. Handouts for young unemployed workers in particular more than quadrupled, and the number of "surfers" (beach bums) increased substantially. A new life-style known as "dole bludging" (government-subsidized loafing) proliferated.

PADDED PROGRAMS

As Labor prepared its first budget (1973-74), senior civil servants warned that the economy could absorb a government spending increase of only \$1.8 billion. Determined to have its new programs, however, Labor lifted outlays by \$2.3 billion. Judicious taxing might have dampened the resultant inflation, but Labor had pledged not to increase taxes. Instead, it announced an across-the-board 25-percent cut in tariffs. By exposing Australia's tariff-protected industries to foreign competition, Labor reasoned, prices would be forced down. For the same reason, the government also formed a Prices Justification Tribunal, charged with limiting company profits.

The policies backfired. Many factories, unprepared for the invasion of cheaper imports, closed down. As a direct result of the cuts, at least 23,000 workers lost their jobs. And inflation reached 13 percent.

The Labor government also set out to boost wages and benefits. It pushed through a 17.5-percent pay increase and a fourth week's annual vacation for the 245,000 federal civil servants, and supported a trade-union plan to extend the longer vacation to private industry. In three years, Australian wages rose 70 percent, while industrial productivity increased less than one percent.

During the election campaign, the Labor Party had argued that its trade-union links would enable it to negotiate more effectively with militant unions. But in Whitlam's first year, strikes proliferated and 2,634,000 working days were lost (a 31-percent increase over the previous year).

Civil servants warned the Labor government of the need for 1974-75 budgetary restraint to curb inflation. Labor hesitated as its factions fought; contradictory budgets were put forward month by month. Business

confidence further slumped and unemployment rose. Finally Whitlam fired his treasurer, Frank Crean, and replaced him with Deputy Prime Minister Dr. Jim Cairns of the party's left wing.

The new treasurer's inability to say "no" to socialist colleagues' pet programs earned him the nickname "Dr. Yes." Soon Canberra buzzed with alarming stories of what the Sydney *Bulletin* called the government's "handout industry, the fastest growth area in the Australian economy." Concerned that local governments were not spending all the money available to them, the Department of Urban and Regional Development published a 57-page book, *Sources of Funds and How To Apply for Them*. Members of Parliament voted themselves a 37-percent salary increase. Cairns presided over a cabinet meeting that listed the ceiling on public-service hirings, and in Labor's three years in office the number of public servants increased 12.6 percent.

SKYROCKETING STAFFS

In a development familiar to Americans, these soaring administrative overheads tragically negated many of the well-meaning programs which Labor introduced. Perhaps the most poignant example was welfare for the sadly disadvantaged remnants of the Aborigines, Australia's native race. Determined to do something about their misery, Whitlam sponsored a threefold spending increase on Aboriginal programs. In response, the Department for Aboriginal Affairs promptly doubled its staff and poured much of the new funds into 89 largely fruitless research projects, including an attempt to farm turtles and crocodiles. Aboriginal welfare became a self-sustaining bureaucracy, with a huge share of the government money going to social workers, administrators, researchers and consultants. Observed Canberra political commentator Peter Samuel, "If the Department's whole budget was simply paid to the Aborigines, each man, woman and child would get \$1800. Instead, each Aborigine received an average of \$96."

As the recession deepened and inflation continued, the government launched its single most expensive program yet—Medibank, a system of free universal health care which added some \$1.8 billion yearly to the taxpayer's burden. Medical costs now began to climb at a rate outstripping even inflation. Physicians' fees increased 20 percent in the first year of operation. General practitioners would order unnecessarily full pathological tests for their patients, then pass on the entire charge to the government. Some doctors reportedly were seeing up to 20 nursing-home patients an hour and billing Medibank. Medibank, said the editor of *The Medical Letter*, had become "a multimillion-dollar, money-eating machine."

All told, Australian federal spending reached an estimated \$26.3 billion in 1975-76, up a staggering 80 percent in just two years.

THE KHEMLANI AFFAIR

It was appropriate, perhaps, that a government so careless of money should pass from the scene over a money scandal—the all-but-incredible brouhaha called the Khemlani Affair.

This was an attempt by the Labor government to borrow \$4 billion in Middle Eastern petrodollars by going outside normal governmental fund-raising channels. Without notifying Parliament, a group of high-ranking cabinet members, including Whitlam, authorized Minerals and Energy Minister Rex Connor to borrow funds for unspecified "temporary purposes" (believed to have been the nationalizing of large segments of the mining industry). Their intermediary was to have been, not one of the large New York or London banks traditionally used by the Australian Treasury, but, instead, a Pakistani money merchant named

Tirath Hassaram Khemlani, who claimed to be in touch with rich Arab sheikhs.

Details of the proposed borrowing underscored the Labor government's consistent lack of sympathy for the Australian taxpayer. The loan was to have been repaid at compound interest—but with no payments for 20 years. Thus, for the \$4 billion, the next generation of Australians would have had to repay an astonishing \$17.6 billion. Moreover, Khemlani was to have received a 2½-percent "finder's commission"—\$100 million!

When these details leaked to Parliament and the press, the uproar was such that Whitlam was forced to withdraw Connor's permission to raise the loan. When the minister quietly continued his negotiations with Khemlani, the press uncovered this, too, and Connor was obliged to resign. Within two months, the Labor government had been swept away. A landslide anti-Labor vote returned the conservative coalition to power.

Last May, in his first televised address to the nation, the new Prime Minister, Malcolm Fraser, referred to some political truisms which many countries besides Australia have recently neglected.

"Over the past year or so," he said, "the view had begun to develop that we could have it all without really having to pay for it. But one of the things we've got to understand is that when politicians promise things, they are not promising anything of their own, because they have nothing of their own to give. They are promising something which is yours, and the more politicians promise, the less there is for you to meet your own needs or your family's needs. The less there is for industry, for investment, and to create jobs needed to improve the real wealth of Australia."

HOW TERRORISTS OBTAIN U.S. WEAPONS ON THE BLACK MARKET

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mr. DOWNEY. Mr. Speaker, headlines concerning the activities of terrorists have alarmingly increased both in this country and throughout the world in recent years. Terrorist use of U.S. military weapons has too often been the real story behind these headlines. A report on this issue, written by Jonathan Kwitny, appeared in the January 11 edition of the *Wall Street Journal*. I urge my colleagues to consider his article on this pressing problem:

[From the *Wall Street Journal*, Jan. 11, 1977]

THE TERRORISTS—THRIVING BLACK MARKET PUTS MILITARY WEAPONS INTO AMATEURS' HANDS

(By Jonathan Kwitny)

The M-11 might be called the perfect assassination weapon. A U.S.-made hand machine gun that fires bullets by gas propulsion without sound, flash or smoke, it can empty its 32-round clip in approximately 1.7 seconds. It comes in two pieces, each nine inches long, and weighs about seven pounds. With it, one U.S. arms dealer says, "I could kill a hundred people in the next room and you'd never hear it."

The world is glutted with arms like the M-11: lightweight, lethal, low-cost and easy to use. They are being produced in such quantity and with so few controls that getting them poses no problems for any group of revolutionaries, vigilantes, terrorists or just plain crazies who are willing to spend a little time looking.

The U.S. and the Soviet Union bear about equal responsibility for allowing the illicit traffic in military weapons to get out of control. Small, sophisticated arms designed to put more firepower into the hands of individual soldiers are rolling off assembly lines in both countries, and are being shipped to other countries around the globe. Suppliers don't keep track of what happens to them after that.

Often, the arms land on the black market, where they are readily available to anyone with the patience to develop the right connections. An estimated \$5 billion in arms that the U.S. abandoned in Vietnam hasn't even hit the black market yet, knowledgeable U.S. authorities say. If the Vietnamese begin dispersing that arsenal, it should be even easier for amateurs to arm themselves in the years ahead.

From a shelf in almost any library, you can pull down the military reference text, "Jane's Infantry Weapons," and find a grim catalog of destruction. An antipersonnel grenade maker's ad guarantees "uniform dispersion of fragments in every case." A firm called Euromissile boasts that its product enables "a mere infantry soldier" to destroy enemy tanks within a 6,500-foot range ("minimum training required") and lists write-away addresses in France and Germany. Jane's also features detailed, illustrated instructions on how to assemble and operate almost every known small arm, from the Thompson submachine gun to the M-11 and the Strela missile.

Some 14,000 of the M-11 and a similar M-10 have been made. They list for \$80 each, although when a Marietta, Ga., manufacturer of the guns went out of business recently, M-10s were sold at auction for \$5 to licensed dealers and representatives of foreign governments. "They're all over the world now," mostly in Third World countries, says Geoffrey WerBell of Powder Springs, Ga., whose father helped design the guns.

EASY TARGET: JETLINERS

The Strela is a Soviet-made, heat-seeking, precision guided missile. It can be toted comfortably on your back. Launched from the ground, it will knock a jetliner out of the sky at altitudes of up to 6,560 feet. According to Jane's, Third World countries that have taken delivery of Strelas include the People's Democratic Republic of Yemen (which has proclaimed an alliance with revolutionary movements elsewhere), Egypt, North Korea, and India. U.S. intelligence sources say Strelas also have shown up in almost all Arab countries and some African nations, including Mozambique.

In 1973, Italian police burst in on five Arab terrorists setting up Strelas in a rented apartment four miles from Leonardo da Vinci Airport near Rome, directly under the traffic pattern for the north-south runway. Intelligence sources suspect that those Strelas were shipped originally from the U.S.S.R. to Egypt, which in turn sold them to Libya. Libya's head of state, Moammar Khadafy, is said to distribute arms to almost anyone who will use them against a government he opposes.

Libya has obtained from the U.S.S.R. large quantities of RPG-7 rockets, which weigh under 10 pounds and can destroy a tank, let alone a limousine or speaker's platform. In turn, Libya is believed to have supplied the Provisional Wing of the Irish Republican Army with RPG-7s and other weapons. A boatload of arms that intelligence sources had tracked all the way from Libya was intercepted off the coast of Northern Ireland in 1973. The IRA has used RPG-7s against armored British military vehicles and police installations.

PENTAGON IS MIDDLEMAN

U.S.-made weapons also find their way into the hands of revolutionaries and terrorists, though usually not directly through the government. Most are siphoned off into

the black market after lawful sales to foreign governments or private individuals.

Most shipments of U.S. arms to foreign countries are commercial transactions, as opposed to the military-aid programs common in the 1950s. Many such sales, especially of big-ticket items like fighter-bombers, are made with the Defense Department acting as middleman. (Foreign governments and U.S. manufacturers often prefer title to the goods and payment to flow through the Pentagon.) Other sales, especially of small arms suitable for guerrilla use, are made directly by manufacturers to foreign buyers. All sales must be approved by the State Department, which keeps a list of hundreds of U.S. concerns that have registered to obtain arms-export licenses from the government on a sale-by-sale basis.

Among the most popular IRA weapons are the AR-15 rifle, made by Colt Industries Inc. in New York, and the AR-180, made by Armalite Inc., a privately held company in Costa Mesa, Calif. Both weapons can be bought legally in the U.S. by almost anyone. (They are considered civilian "sporting" weapons.) Both are versions of the M-16, the principal U.S. military rifle, which was developed by Armalite and is manufactured by Colt and its licensees. Jane's lists the price of an M-16 at \$85; the AR-15 and AR-180 commonly retail for about twice that.

Federal law prohibits the sale to civilians of fully automatic weapons—those that fire repeatedly like a machine gun. For the civilian market, the manufacturers doctored the fully-automatic M-16 slightly and came up with the semiautomatic AR-15 and AR-180, which fire one shot for each pull of the trigger. With just a few hours of tinkering, however, the AR-15 and AR-180 can be made fully automatic. Many IRA weapons recovered by the British have been reconverted in this way.

Guns found on IRA members have been traced by their serial numbers to American buyers, but this hasn't provided sufficient evidence to convict the Americans. A federal court in Philadelphia recently reversed the convictions of five men for illegally shipping more than 100 AR-180s to the IRA. Though the serial numbers showed that the Americans had purchased the guns in the U.S., the court noted that the serial numbers of guns sold overseas aren't registered. It might be proved, the court said, that the original buyers didn't simply sell the guns through a licensed exporter to an approved foreign buyer, who then transferred them to the IRA. The court did uphold the group's conviction for conspiring to sell the guns illegally, but only because the men unwittingly disclosed their plans to a government undercover agent who testified against them.

David Hopkins, who prosecuted the case for the Justice Department, thinks the government should record the serial number, place of origin and destination of every weapon leaving the country legally. However, he acknowledges that the number of weapons involved is "awe-inspiring."

Indeed, the defense in the Philadelphia case, arguing that the AR-180s could have entered Ireland from almost anywhere, presented a State Department report showing that 2.5 million firearms were legally exported from the U.S. in the five years ending last June 30. That figure didn't include the three firearms that anyone leaving the U.S. is allowed to take with him unlicensed. Nor did it include the many U.S. firearms—including M-16s and AR-180s—that are manufactured overseas under licensing agreements, or firearms sent abroad for use by U.S. troops that are "lost," siphoned off or stolen.

85 MILLION RIFLES

In a 1970 study designed to show the abundance of military rifles in circulation, Priscilla Clapp, then with a private research

firm and now with the U.S. Arms Control and Disarmament Agency, calculated that more than 85 million such weapons are scattered around the world. She counted only the dozen or so most popular rifles, excluding the M-16. (Although Colt won't disclose production figures for the M-16, Miss Clapp estimated that 25,000 were being manufactured each month, a figure that agrees with Pentagon reports.)

The immense stockpiles held by private arms dealers also suggest that there are far more guns being made than there are soldiers to use them. Probably the largest such dealer is Samuel Cummings, whose firm, Interarms, is based on Monaco and has agents with pipelines into virtually every country in the world. Mr. Cummings says—and others have verified—that his warehouses contain more than 500,000 light arms and more than 100 million rounds of ammunition. That is enough to equip 40 military divisions, more than twice as many as the U.S. has in active service.

Mr. Cummings says he pays \$5 to \$25 for surplus submachine guns for example, and sells them for \$25 to \$60 after rebuilding them. Arms experts say that the Costa Rican civil war of the 1950s, the 1961 Bay of Pigs invasion in Cuba and possibly other wars were fought with weapons that both sides had bought from Mr. Cummings.

CIA CONNECTIONS

The American taxpayer helped establish Mr. Cummings in this lucrative business. He served as a weapons expert in the Army in the 1940s, then went to work for the Central Intelligence Agency. In the early 1950s he set up a private international concern that sold arms for the CIA. Some observers think it was an arms-launders operation controlled by the agency. Interarms, a successor firm, now seems largely independent of U.S. control—except, of course, when it ships arms into or out of this country. However, it's doubtful that Mr. Cummings could operate so successfully were it not for the contacts he made while with the CIA.

Mr. Cummings and many other private arms dealers say they sell only to governments, and there's no indication that they do otherwise. But Washington sources say these arms often end up on the black market through official corruption, theft, or a government's collusion with nongovernment groups. And, the sources add, some private arms dealers don't have scruples about whom they sell to.

When it comes to guns, Communist governments have a reputation for being as profit-minded as any private trader in the West. According to many reports, Soviet arms often hit the black market through a Czech trading company that operates through a purportedly independent arms dealer in Amsterdam.

Persons who are aligned with revolutionary causes but are unwilling to pay black-market prices can get free or cut-rate arms at Libyan embassies in Europe, according to French sources. The method isn't guaranteed, but with a few months of waiting it has been productive, the sources say.

Another ploy, of course, is theft. One haul taken from a well-stocked arms depot can keep a violent group and even its allies in other countries supplied for years. Grenades stolen in 1972 from a U.S. military depot in West Germany by anarchists known as the Baader-Meinhof gang are believed to have been used two years later in other parts of Europe by Venezuelan and Palestinian terrorists.

MISPLACED MUNITIONS

In April 1976, a House Armed Services subcommittee reported that uncounted tens of thousands of U.S. military weapons have been lost or stolen from storage. The subcommittee found that records were "haphazard" and that "losses of sizable quantities

of weapons and munitions were frequently written off as inventory errors without any investigation."

Weapons purchased from U.S. companies by South American governments for use by their internal police forces often wind up in the hands of right- and left-wing terrorist groups there, according to several sources, including Michael T. Klare, visiting fellow at the Center for International Studies at Princeton University. Mr. Klare, a specialist in international arms traffic, says right-wing groups often obtain weapons directly from the police, who covertly encourage vigilante-style terror that they can't carry out officially. Left-wing groups, he says, steal the same weapons by raiding police depots.

The State Department's decisions on overseas arms transfers are made after consultation with the Department of Defense and the Arms Control and Disarmament Agency. Recipients must pledge not to transfer the arms to third parties without American permission. But a system for enforcing such promises doesn't exist.

State Department officials refuse to discuss on the record whether violations of the no-transfer agreement have occurred. Gen. Howard Plish, who directs the Pentagon's review of foreign arms sales, says U.S. embassies keep "very very good control" of American arms sent overseas. He says he is unaware that the IRA has been using American-made weapons.

SMALL ARMS GO UNNOTICED

Officials of the CIA, the Army and the arms control agency all acknowledge that they don't keep close tabs on U.S. weapons shipped overseas. It was ascertained in other interviews that nobody else does either. Government officials say that the transfer of major weapons systems, such as military aircraft, probably would be noted in the ordinary course of intelligence. But the transfer of small arms probably would not, they add.

As for the amount of investigation that precedes the granting of arms-export licenses by the State Department, a recent case involving an attempt to put 10,000 U.S. submachine guns on the black market is hardly reassuring. Seven men, including the former military chief of staff of El Salvador, were convicted in federal court in New York for conspiracy to violate the arms-export laws. As part of the conspiracy, the El Salvador military chief was charged with taking a \$75,000 bribe to provide phony export documents. The documents were submitted to the State Department as evidence that the guns were needed by his country's armed forces.

Apparently unaware that El Salvador's armed forces number only about 5,000 men, the State Department began routine processing of the export request for the 10,000 guns. Before a decision could be reached, however, the conspirators made the mistake of bringing an undercover Treasury Department agent into their plan, and he turned them in.

SOUTH AFRICAN SHIPMENTS

The State Department did approve a series of arms sales over the past few years in which the end purchaser was South Africa, a country under a U.S. arms embargo. The Justice Department is investigating the sales, made by Colt, the Winchester Group of Olin Corp. and possibly other arms manufacturers to third-party countries that transferred the weapons to South Africa under prearranged plans. Colt and Olin say the sales were engineered without their knowledge by employees who were fired after the sales were discovered. But when a former Colt employe pleaded guilty to an illegal sale last July, U.S. District Judge Robert C. Zampano in Connecticut said he doubted that the deals could have been made without the knowledge of "higher ups" at Colt.

Brando Alvy of the Justice Department says, "The cases we have found have left tracks. I'm sure there are scores of cases we don't know anything about."

Some authorities still hope that an effective international agreement can be made controlling the spread of the sophisticated new weapons. The U.S., for its part, has forbidden Third-World sales of its Redeye missile, similar to the Soviet Strela. Iran, for example, has been denied Redeyes despite repeated requests for them.

A SOVIET LIMITATION?

Brian Jenkins, a Rand Corp. researcher who has written extensively on terrorism, believes that the Soviets might agree to some such limitation. "When a couple of airliners get knocked down and one of them is an Aeroflot," he says, the Soviets may begin to limit sales of Strelas to Third World countries. He adds: "In whose interest is it to have hundreds of these things loose in the world?"

But the battle to control more conventional weapons is clearly lost. An American doctoral student, just back from Bangkok, reports that M-16s were selling in stores there for \$50 to \$100, even though such sales are illegal in Thailand. A French journalist who is writing a book on illegal arms sales says he has accompanied arms dealers on regular runs to Africa. He says that just before being interviewed by this newspaper, he talked to a French dealer who was trying to black-market a shipment of 3,000 World War II American submachine guns for \$20 each.

One arms-control authority says he's "frankly not that concerned" over reports of illegal machine-gun trades because "they're already out of control."

"Cut off the flow of munitions?" asks another rhetorically. "How are you going to cut off the flow of arms to terrorists when you can't even cut off the flow of arms to teen-agers who hold up stores right here in Washington?"

REPEAL OF THE CONGRESSIONAL PAY RAISE

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mr. CORCORAN of Illinois. Mr. Speaker, in 1975, the Congress, by a one-vote margin, enacted into law an amendment which provided for annual automatic cost-of-living raises for top executives of the legislative, executive, and judicial branches of the Government. The law provides that Members of Congress and others named in the law should receive the same annual raise as is given to civil service employees under the Pay Comparability Act.

I believe this was a mistake. The Pay Comparability Act was set up to provide annual raises for civil service employees, not political officials, whether elected or appointed. Nor was the law written to include the top executives of Government in the survey on which the recommended pay raises are based.

More importantly, I am strongly opposed to the concept of automatic cost-of-living raises for Members of Congress. Cost-of-living is, after all, directly tied to inflation, and Congress, through unwise spending policies, is one of the pri-

mary causes of higher inflation. We are thus in the position of rewarding ourselves for causing a problem rather than solving it. We appear to be more concerned with our own welfare than with the good of the Nation.

We cannot ask the American people to have faith in their Government unless and until the Government, and Congress in particular, sheds its image of self-aggrandizement and is seen by Americans as being concerned with the well-being of the ordinary citizen.

I hope, Mr. Speaker, that by repealing the cost-of-living escalator for ourselves, we can take a positive step toward restoring the confidence of the people in their Government.

COMPREHENSIVE OIL POLLUTION LIABILITY AND COMPENSATION ACT OF 1977

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mr. RUPPE. Mr. Speaker, today I am introducing legislation designed to revise our laws dealing with the difficult problems resulting from oil spills. The need for such legislation has once again surfaced in connection with recent oil spills off the coast of the United States. My bill will provide a comprehensive system of liability and compensation for oil spill damage and removal costs.

The people of northern Michigan, surrounded by the beauty of the Great Lakes, are especially sensitive to the impact of water pollution on our natural resources and our economic livelihood. The dumping of taconite tailings into Lake Superior of Reserve Mining and the introduction of PCB's into the Great Lakes environment have further demonstrated to the people of northern Michigan the need to protect important marine resources.

Oil pollution represents a threat to the Great Lakes as well as other coastal regions and important waterways. My bill, speaking directly to this issue, would establish a single compensation fund for the protection of injured persons, including those who might suffer irreparable harm from discharges into waters of the Great Lakes.

The size of the fund would be \$200 million, and would be financed, in large measure, by a fee of 3 cents per barrel of oil. The fee is to be assessed against refineries receiving crude oil and owners of terminals receiving any oil for export or import into the country. I believe the fee is low enough to avoid unnecessary cost burdens on the consumer of oil products.

The key provisions of the bill are those that would subject owners and operators of vessels to strict liability for damages caused by oil pollution. The limit of liability for tankers would be \$300 per gross ton with a ceiling of \$30 million per incident. Of course, the operator of a tanker cannot limit his liability when the

incident triggering the oil pollution is caused by his willful misconduct. The bill also contains an expedited claims settlement process and a procedure for the Government to recover the costs of removing oil pollutants, a most essential guarantee of speedy action when a critical and controllable spill occurs.

This legislation breaks new ground in numerous ways, not the least of which are the claimant's right to recover for economic losses, such as the loss of profits or the impairment of earning capacity, and the Attorney General's authority to bring an action for loss of tax revenue due to injury to real or personal property. Moreover, the bill contains enhanced incentives for a polluter to undertake immediate cleanup or restorative action by providing for compensation for the cost of cleanup in excess of his limit of liability.

The legislation stands to relieve real human suffering in a most cost-effective manner, and to improve the quality of life by a fair system of burdens, obligations, and benefits. We can wait no longer. The time is ripe for action now, and I welcome the support of my colleagues in an effort to secure swift enactment of this important measure.

THE CRISIS OF THE CITIES

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mr. CONYERS. Mr. Speaker, the crisis facing our cities is, in fact, a crisis of our entire Nation. The cities are the cutting edge of the economic problem that is crippling America, an analysis of which is ably presented by Mayor Coleman Young of Detroit in a recent article in *Freedomways*. His understanding of the urban problem has been honed and refined through years of involvement and struggle.

Too often the urban problem is conceived merely in terms of crime and violence, and the solution advanced is to expand the resources allotted to ever more sophisticated equipment, support staff, and patrolmen. But no amount of resources going into the police sector can be effective so long as the economic depression existing in most American cities continues to deprive citizens of the basic means of survival, let alone decent livelihood. For crime, outandish as it may seem, is not primarily caused by criminals. Crime in the aggregate is more fundamentally the product of desperation that issues from joblessness, poverty, and community disintegration. It emerges when a neighborhood, a city, a nation has so degenerated in its capability and commitment to provide for the well-being of people that individuals feel that stealing, mugging, or selling dope is not an unacceptable means of survival. When neighborhoods are starved of jobs, social services, and supportive local institutions—and once neighborhoods become defined as high crime areas, their services disappear at an alarming rate;

when citizens are so desperate and isolated they must fend for themselves; then that community loses the prospect of marshaling enough political strength to fight for the larger interests necessary for recovery.

There is also the notion that urban decay is the direct outcome of changing racial and demographic patterns, in particular, the emergence of black-majority cities. This notion simply reflects upon the racism that has immobilized the Nation for so long. And as Mayor Young observes, the trend toward "regionalization," whatever its other merits, would wrest power from black-led cities to white suburbs, and from low-skilled and marginal groups to middle-class professionals.

The real crisis that predates urban decay is economic, not one of crime, race, or administrative process. Cities are the product of massive, longstanding unemployment and economic debility—of the flight of capital and jobs from central cities to the suburbs as well as overseas, the relocation of industry in the relatively union-free "sun belt," and of the irresponsibility of Federal policy in failing to give a fair break to the young, the elderly, and the urban working class, black and white. These factors have combined to strip cities of their economic base, leaving behind a virtual wasteland in which the generational cycle of poverty acts itself out.

Economic depressions, unconscionable interest rates, pervasive poverty, and wrecked neighborhoods are not matters, in the final analysis, which city halls and community organizations can readily address, certainly not by themselves. And therein lies the challenge to the new administration and Congress. Unless the Federal Government undertakes a thoroughgoing economic reorganization that ceases to waste human resources—the young and old who are eager to work and produce, but who cannot find jobs—and commits the Nation to full employment and rational economic management, we have little prospect of breathing economic life back into, and revitalizing our cities. With this in mind, I commend to the attention of my colleagues Mayor Coleman Young's perceptive article, "Crisis of the Cities: A National Crisis," which appeared in the third quarter 1976, issue of *Freedomways*:

CRISIS OF THE CITIES—A NATIONAL CRISIS

(By Coleman A. Young)

This has been a warm evening—warm in the sense that the music and the spirit of *FREEDOMWAYS* are apparent. I have been a subscriber since 1961, when the publication first began and probably have most of the issues published from the beginning. I've always found it to be a faithful chronicle of an ongoing struggle. Of course, that struggle is with us today to a greater degree perhaps than any time in the past. I think it's been a long, hard struggle during my lifetime—the early struggle to organize the labor movement, which was a critical one in the '30's, early '40's and beyond that, the struggle within labor, the emergence of the freedom movement in the South which has transformed itself in the recent period into, as far as the Black people are concerned in this nation, a struggle for political power, based on the recognition that freedom could

only be achieved within a political system by sharing in the levers of power of that system.

So, the freedom struggle, as I have known it, led me first to organize, to be a part of the organization of labor. The lesson I learned there was the necessity of unity between Black and white workers. Strains were put on that unity, even then, and they have been constant. The polarization between the suburbs and the cities—polarization within the city itself—the misconception that there is an antagonism of interests between the Black and white poor, I think, lies at the root of our inability to deal effectively with our problems. I think it is a significant and positive thing in the last ten years that Black people working in the political system have been able to achieve a greater degree of political representation. Although that degree of political representation today probably approximates a previous height—and it is not new; we've been there before—it approximates the level that the newly freed slaves achieved during the period of Reconstruction. I think if we look at history, we know the bitter lesson that progress can be wiped out in blood and repression. The price of freedom is not only eternal vigilance, but eternally to have the necessary manpower in terms of your alliances to maintain your position. I think that the freedom movement that has expressed itself through Black political leadership today is challenged, but more than Blacks are challenged. The existence of the cities is challenged, but much more than the cities are challenged. Today, to a greater degree than we've had in a long time, the future of this nation, as we know it, is challenged.

CRISIS OF CITIES IS NATIONAL CRISIS

When I was here in 1974—I think it was in conjunction with Martin Luther King's birthday celebration at a cathedral in New York City—I said at that time that the crisis of the cities was a national crisis; that if the cities were allowed to die, the suburbs would surely die, and if the suburbs went down, then the cities in our nation would die. I know that at that time Detroit was in the forefront. Detroit is a bellwether, economically, in this nation, being the center of the automobile industry, an early warning of economic trouble. It's been said that when the automobile industry catches a cold, Detroit catches pneumonia, and we were in pretty bad shape already in the latter part of 1974. But you here in New York had not yet felt the impact of that economic crisis that was known as the energy crunch. So when I came here, I was beset by newsmen who looked at me as if I came from Mars, who could not understand the economic difficulties we were having in Detroit. And I couldn't understand why they couldn't understand our economic problems but could understand the crime problems that we were having in Detroit. As I was standing in Times Square talking to them, I had a feeling of not being too safe—based on reports in the Detroit newspapers. I said to them at that time, "Detroit today, New York tomorrow." Our problems are an early warning. I had no idea of the depth of that prophecy. I could not foresee—I guess none of us could have—the fact that the impact of the economic crisis would hit New York so hard that literally several months later this great city, greatest city in this nation, one of the greatest cities in the world, would be literally on its knees, at the point of bankruptcy. New York City's problems have become a national problem.

To one degree or another, every city in America faces an exodus by middle-class, largely white citizens, but there is a Black middle class flight also. Blacks are a part of the middle class to the degree that they can find some place to flee beyond the perimeter of the central city. The cities have become

more and more the repository of the poor, the aged and the Blacks. And there are those who subscribe to a new theory, a new social and political theory that I describe as a "doughnut" theory—that suburbia can exist independent of the vacuum in the center. Well, that's a new theory of history, of economics. I think no nation in the history of this world, no civilization has existed beyond the collapse of its cities. And America is no exception. Part of the problem of our cities today is that America is blinded by racism and cannot really understand that the crisis threatening the cities threatens America, because the crisis of the cities is too often looked upon through race colored glasses.

The President was tempted to let New York City fall, which is an indication of his full ignorance of the significance and importance of the great city of New York. One of the reasons that New York was allowed to nearly go under is because New York is looked upon across the nation as a city of Jews—the Mayor is a Jew, Blacks—everybody knows most of them are on welfare, and Puerto Ricans—who are half Black and also on welfare. And this is the national perception of New York! And many people beyond the Hudson, including some in Detroit and Chicago and other cities who should have known better, blinded by their racial concept of what New York is, were prepared to see this great city go down. As it was, New York City's crisis damn near bankrupted the State of New York which had no choice at that point but to come to the rescue of the city. It imperiled the credit and stability of every city in this state, and its shockwaves spread across the nation.

MANY CITIES BECOMING INCREASINGLY BLACK

My city was approaching the bond market to build a new hospital, and using New York as an excuse, an extortionate rate of 9.8 percent interest was charged the city of Detroit on bonds which previously had paid 5¼ percent. This is true in every city across this nation. And so part of the threat in the perception of cities collapsing is the bonanza, a big profit bonus to Wall Street and to those who control the money markets. Most cities in this nation, or let us say, many cities, are becoming increasingly Black. Detroit is the largest city, the only city of over one million that has a majority Black population and at the same time a Black mayor. But many other cities are heading in this direction. Chicago is at about 40 percent Black and running. Cleveland is very, very close to 50 percent. Washington, Philadelphia, major cities across the nation because of the Black immigration and, of course, the birth rate is a little higher in the Black population. As a whole within the cities there is a younger population. All these factors are combined to create a new situation in the cities. And so, Blacks have struggled to gain some degree, some handle in the levers of power. Now that has been achieved to a small degree, because whereas Blacks comprise 11 percent to 12 percent of the population of this country, we are still less than 1 percent of the elected officials. Progress is relative. Obviously there's a long way to go. But even that progress is begrudged by some, and you find a move on now toward metropolitan government.

I just left Buffalo, and they're talking about regionalizing Buffalo. They're talking about regionalizing Detroit. They're talking about regionalizing practically every city, and many Black people look upon this as changing the rules in the middle of the game, as we reach for power. And this is the threat that is being held over the cities across this nation which refuse to surrender their autonomy—and that includes New York City, because after New York City got in trouble, it had to be virtually surrendered to a receivership which was composed primarily of the state and the bankers and the finan-

cial interests. So as Black folks gain political power, as poor folks gain political power, the cities are taken over in a joint receivership by the state, the high level of government and the monied interests.

Now, in many, many areas like Miami where this regional government concept was first experimented on in the United States—Jacksonville was another area in Florida and Toronto was another example—there were some semi-valid excuses. As in most cities, middle-class people had run from the central city to suburbia, but in these particular instances, Toronto, Jacksonville and Miami, they had run faster than the water and the sewer lines could follow them. So they established these fancy middle-class homes out in the suburbs dealing with wells and septic tanks. The urge then on the part of the middle-class people who had run from the cities was to seize control of the cities and thus avail themselves of the water, the sewers and other economic facilities that they had left behind. But even that excuse doesn't exist in a city like Detroit. The State of Michigan has literally fed from the wealth of our city for 50 years, the same as the State of New York has fed from the wealth of New York City. The city of Detroit historically has received less than a half dollar back in the form of services from the state government than the taxes we send in. And that's certainly true of New York City's relationship to New York State. Any big city performs that function, and there is nothing wrong with that. Cities historically are the centers of culture, of commerce, of education. They play essential roles. They are the jewels, the showplaces of any civilization, and most nations understand that. During New York's early crisis, the French Ambassador came to Detroit. We happened to be talking and he apologized for interfering—giving his opinion on American politics—but he said to me that he just could not understand how President Ford for one moment could consider allowing New York City to go bankrupt. He talked about what Paris meant to the French nation. Long ago, European nations recognized the essential role of the city, and cities are literally subsidized in practically every nation but this one. This nation, which rose to greatness as a result of the development of the cities, whose rural and suburban areas fed on the wealth of the cities, now because of racially distorted approaches believes it can survive without the cities, and that, in my opinion, is what's happening.

When they talk about regionalism in Detroit, the facts are that we have a fine water system in Detroit, and it's entirely owned by the City of Detroit. It's a combination water and sewage system. We furnish water to half the population in the State of Michigan. The water system is owned and controlled by the City of Detroit. Imagine how that sets at this particular moment in history when Detroit has a majority of Blacks and is controlled by a Black mayor. We, literally, are in a position to cut their water off! And so, the demand that is now in Detroit—as they talk about regionalism, and nobody complains when Detroit puts its credit on the market in order to get bonds to expand their water system, to expand that sewage system—is one man, one vote. Let's take over that water system. Well, my answer to that revolutionary slogan of one man, one vote is one man, one gallon, and how much water have you got. The same with transportation. Detroit is the only city in Michigan which has a municipally subsidized transportation system. The other communities had private enterprise as their bus systems. And, of course, when the system became unprofitable, private industry went out of business. The citizens of Detroit have long subsidized our bus system. And so now, a regional system is set up. I can understand regional cooperation. I've been for that for a long time. But

they want, again, to take our bus system, and the question is, one man, one vote. And again, it's one man, one bus. And maybe I wouldn't be so suspicious of my suburban neighbors who talk about regionalizing everything, except that I cannot understand their spite and demands for our water and our buses and their vigorous rejection of the regionalization of our children. There's a contradiction there. The same region that cries for control of the Detroit Police Department, Detroit water system and the Detroit bus system, is up in arms at the prospect of one Black child being bussed to a suburban school across Eight Mile Road.

COME TO CROSSROADS

So, what I'm really saying is that suburbia, obviously, cannot exist without the city and vice versa. There's obviously a commonality of interest here. But racial and political considerations, misconceptions of self-interest have caused divisions. I think that the impact of the last recession—and as far as Detroit and many other cities are concerned, that was a depression, not a recession—has revealed an underlying and endemic weakness in the American social and economic fabric that if not corrected is going to call for some violent changes in our form of government. I believe we've come to a crossroads that can lead to repression as a first step toward some type of fascist repression, or a break in the right direction which would lead to a democratization, to an opening up of our government. I believe that we are approaching that critical point in 1976, and that the issue—the main issue—around which this is expressed is the crisis of American cities. It is a universal crisis. It's not restricted to Detroit or to New York. It's endemic across the nation. Its major manifestation is chronic unemployment. The new and misquoted high of some 15 percent to 16 percent nationally that we reached in the current recession—and I do say current, because it is not over—the 16 percent is dramatically understated, as everyone in this room must know. The real percentage has got to be closer to 20 percent or 25 percent, and most economists say that when 25 percent of the work force of any society is unemployed, that society is suffering a depression and not a recession. Most of our cities, even before the economic crisis, suffered depression. When the official unemployment rate in this nation was 5 percent and 6 percent, that's considered prosperity in America, only in America. The unemployment rate in West Germany is 1 percent, and sometimes one wonders who won the war. And when that unemployment rate approached 2 percent people nearly overthrew the government in Germany; yet we can regard 5 percent and 6 percent official, which means 10 percent actual, as prosperity. What does 5 percent and 6 percent mean? What did it mean before this recession in Detroit? It meant the real unemployment rate was 10 percent and 12 percent. It meant in the central city among Blacks, Latinos, poor whites, unemployment exceeded 30 percent. That's before there was a recession. And among young people in these same groups, it was in excess of 50 percent for males, and for females, in excess of 60 percent. Now this condition existed in central cities, in ghettos, in barrios across this nation, even before the so-called recession. The recession exacerbated, obviously, this serious condition. Already, there have been all types of warning signals—of alienation, frustration and desperation by our unemployed, our dispossessed—crime, dope, prostitution, social unrest.

An answer from our federal government has been to ignore the problems of the cities, to ignore the unemployment which threatens to destroy America and to concentrate on inflation, to control inflation even if it meant encouraging an increase of unemployment. You're undoubtedly reading in the headlines

today, and I can assure you the reports are exaggerated, of the crime situation in Detroit. I gather the *New York Times* has literally had a ball, running stories about how bad it was in Detroit, that Detroit was dying. Well, we have a rough gang situation. But it is little different from that of New York. I think that there's also some racism behind the sensational manner in which the situation in Detroit is treated, with its majority Black population and its Black mayor compared to similar situations in Chicago or New York. I think that you know that you had two very serious invasions by gangs in downtown Manhattan recently, either one of which was more serious than the incident we had in downtown Detroit. I don't see any headlines that New York is dying. It's not dying, but I'll tell you one thing—it's damn sick. And so is Detroit. And so is Philadelphia. And so is Boston. So is Los Angeles. And so is America. The unemployment which threatens this nation today has produced a social reaction which is predictable. Direct relationship between unemployment, lack of educational opportunity, lack of adequate housing, etc., and crime, has seen no addressment from the present administration and from most state administrations and most city administrations except repression.

As Mayor of the City of Detroit, I have an immediate responsibility to maintain the peace; the conservator of the peace is the official description of the responsibility of mayor under the charter. And I intend to conserve the peace. I recognize that there are many who would like to see the city go down. There are many who would like to seize upon the serious problems in our cities to increase the heavy hand of repression. The only answer we've had from the federal government in the last several years to the problems in our cities is millions and billions of dollars of aid to the police force. That's Law Enforcement Assistance money to buy bigger machine guns and more sophisticated radio equipment, weapons of repression. And the same administration in Washington that pumps out billions in LEA aid, vetoes bills to provide jobs, bills to provide assistance to beleaguered cities. So I believe that we come to real crisis in this nation. I am convinced that Watergate revealed this country shrinking back from the precipice, on the edge of going over into a fascist repression. Let me indicate to you that not too much is changed in Washington. The top two faces changed but the basic cast below them is still the same, and the basic line and direction of march are still the same. With cynicism, the Ford administration could veto bill after bill dealing with jobs and the welfare of people; and the cavalier fashion in which the revelations of the repressive, investigatory measures of the CIA, the FBI, the Internal Revenue could be dismissed, is an indication that it is later than we think.

So the answer that I have, to the degree that I have an answer, is that I have the greatest confidence in the people of the City of Detroit, who, I think are representative of the American people. I can tell you that for the Black people in my city, who are a majority, and for a great section of the white people in Detroit and around it, there are a strength and a belief that have not been destroyed. The people in the City of Detroit have always had a tough fiber. I think that has been demonstrated in the type of cooperation that we've had. We're attempting, in Detroit, to deal with young criminals in a different manner. I'm not saying that we're going to let young criminals take over the city. I understand what poverty and lack of jobs, lack of education and lack of housing can do. But just because I understand doesn't mean I'm going to accept the hoodlums and destruction of civilization and the city as an excuse. At the same time, it is my belief that this type of crime, social mis-

conduct, can be controlled by a police department without brutality, if it's firmly under civilian control, if it can be made into a people's police department. The Detroit Police Department is not that. You know, every move I make, I'm in court, I move for affirmative action; I move for more Black police officers. The point is that we are moving and handling our situation without brutality.

I think that we are honored here tonight to have just such an example: We have here, sitting in the audience, the family of the late Rev. William Paris, a Black minister from New Rochelle who organized the Detroit Police Chaplain's Corps. Bill Paris had an idea that if ministers would establish themselves as chaplains in the police department they could guarantee—they could give a message to the police—that people have some concern for what happens, but at the same time, help the people, Bill Paris became the first Chaplain in the United States, I believe, to lose his life in the course of duty in attempting to apprehend a sniper. Police surrounded this sniper rather than chopping the building down, as has been done so many times. There was an attempt made to talk the sniper out. He was a disturbed Black man in the Black community. Chaplain Paris asked if he could talk to the young man and was told to go upstairs; and as he entered the stairs, he was shot and killed. A white police officer was blinded and almost killed trying to rescue him. We are thankful for New Rochelle's contribution to the City of Detroit, Bill Paris.

I think that we have to have an approach in our cities—certainly, we cannot condone lawlessness. We have to protect society because each of us must walk the streets. But at the same time, we have to insist on a professional approach by our police department and, more importantly, we have to insist that our law enforcement agencies are representative of the people among whom they enforce the law. Now, in Detroit, as in every city in this nation, Blacks and other minorities are underrepresented. We have a high percentage of Blacks in the police department of Detroit right now, about 18 percent, but the city has a Black population of about 52 percent. In no city in America is the percentage of minorities in the population equal in the police department. We're attempting to do that in Detroit. I believe that what is happening in our cities is a threat to the nation itself, and I believe that we must fight for the type of administration which sees this as the answer. I think there's an apathy and a disbelief among the people. There's an alienation, a disgust, as a result of Watergate. I can tell you that as Mayor of the City of Detroit, I cannot mobilize enough policemen, I cannot mobilize enough good will and unity and all these other good things to meet the growing demand for jobs, for education, for equality of young people, Black and white, who exist in unemployment at rates of better than 50 percent. It is my contention that America's greatest enemy lies in the poverty and degradation of its people. We must get our priorities straight. We must elect somebody who can recognize that if the main enemy and danger are within, then the main money should be spent within rather than in armaments and in foreign policy.

There's a struggle going on out there. It's a struggle for survival. We have no guarantees. We have never been guaranteed anything but struggle. If we don't do that, I'm afraid that things are going to get worse before they get better. I have said that I have the greatest confidence in the people of this nation. Well, I think the people of this nation must be given leadership. One reason I'm here is because I think that Freedomways is one of the ways, one of the informational ways, of giving that leadership.

I wish that I could indicate to you that

the forces of freedom are marching triumphant throughout our land, but that isn't true. And that isn't true in Africa. But I think they're going to win in Africa because I think they recognize the enemy a whole lot better than we do. This we must learn from the African liberation movement.

ONE MAN'S FILES

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mr. DRINAN. Mr. Speaker, it is now well known that the FBI and the CIA maintain a large number of files on American citizens, many of whom have done nothing more than express their opposition to Government policies. With the exposure of such improper conduct coming as a nearly daily occurrence, it is easy to ignore the precise contours of those activities.

Prof. Gordon C. Zahn, of the University of Massachusetts, recently discussed the contents of his files in the December 18 edition of *America*. The age and insignificance, from the standpoint of any legitimate governmental interest, of the data contained in them remind us once again that measures must be taken to stop this information collection system and prevent its recurrence.

I am inserting Professor Zahn's monograph in the RECORD so that each Member may appreciate the folly of certain surveillance practices of the FBI and the CIA:

ONE MAN'S FILES

(By Gordon C. Zahn)

(Availing himself of provisions in the Freedom of Information Act, a Catholic peace activist asked to see what the F.B.I. and C.I.A. 'had on him'; it took a while to find out.)

Not long ago, Art Buchwald compiled a list of recommended conversation-stoppers for use at Washington cocktail parties. Included was a well-timed announcement that one has just received his or her file from the F.B.I.

Well, I have—and my C.I.A. file, as well. Although I have not had the opportunity to put the Buchwald thesis to a test, I must confess that, all things considered, the whole affair has proved to be a rather disappointing letdown.

Not a total loss, of course. There is gratification in discovering that, as far as the C.I.A. is concerned, I am too "controversial" a figure to be allowed to speak under that agency's auspices or to wander unescorted through its corridors. But the gratification pales when the inconsequential evidence upon which that judgment was based is taken into account. In fact, there is so little of substance in the files that one is almost inclined to credit both agencies with being overly cautious out of concern for my rights as a private citizen. On the other hand, given their record over the years, a more likely explanation may be simple carelessness and general inefficiency of operation.

This admittedly cynical judgment is based, not on what the files contain, but rather on what is missing. I would be the first to grant that my pacifist activities before and during the Vietnam years were comparatively routine and, with at most one or two exceptions, eminently legal. A preference for logi-

cal persuasion over more inflammatory or revolutionary rhetoric might have kept me from qualifying as a Movement "heavy," but the consistency of my involvement, the multitude of petitions and advertisements signed, the many demonstrations I attended (often enough listed as a sponsor)—all of these should have merited more concern or at least notice than these files reveal. Conducive though this may be to a spiritually beneficial state of humility, I must confess that it also presents a serious temptation to give in to more uncharitable thoughts and suspicions.

For one thing, there was the time it took to get even these meager files. Fully eight months passed between my original request for copies of my files under the provisions of the Freedom of Information Act and their arrival. Interestingly, both agencies took about the same amount of time, the mailings from each arriving within a week of the other. Part of the delay was due to the need to obtain "additional identifying data"—date and place of birth, past addresses and occupational history, notarized signature, etc.—to make certain, as the requests explained, "that we have a positive match between records we may have and a person making a request." That this was a thoroughly reasonable and circumspect procedure no one will deny, though one might question whether it was necessary or appropriate for the C.I.A. to ask for "other names which you may have used."

Apologies for the delay because of the heavy volume of requests and the shortage of personnel available to deal with them seemed reasonable, too; but, here again, the C.I.A. added a troubling note by suggesting that a possible alternative to the "thorough search" and "thoughtful review" of whatever material they might have, would be for them to "issue a formal denial" and leave it for me to appeal. I had not complained about the lapse of time, so it seemed gratuitous to suggest that less than full compliance with the obvious intent of the law was even a conceivable option.

It was not entirely clear whether such a "denial" would take the form of claiming there was no file to send or refusing to copy and send whatever material could be found. In my case, at least, the former could not have applied. My letters of request set forth my reasons for certainty on that score. The F.B.I., I knew, had conducted a full-scale investigation of my claim to conscientious objector status during World War II as was required under the conscription program at the time. I was able not only to remind them of this fact but also to furnish them with the name of the agent who had been in charge of the investigation. This may account for the rather surprising result that of the 23 pages of photocopied material furnished in response to my original request all but one were related to that 1942 report.

My confidence that the C.I.A. had a file on me calls for a more detailed explanation, lest my credentials as a member of the peace movement in good standing be summarily revoked. In 1972, at the agency's invitation, I took part in one of its senior officers' training seminars. My "assignment" was to present an adverse critique of American foreign policy. For obvious reasons, this was not an easy invitation to accept: whatever contribution I made, however inspired my denunciation, could only serve C.I.A. purposes and objectives in some fashion or other. At the same time—and, rationalization or not, this was the consideration that finally carried the day—the invitation did provide a rare opportunity to "speak truth to power." I have no way of knowing what impact, if any, my words may have had. But I could be certain that my appearance had to be cleared in advance, which meant there had to be some kind of file in existence. Not only was I proved correct in that assumption, but its

contents included the ego-gratifying evidence that I had been rejected, not once, but twice, before my appearance was finally approved.

This is getting too far ahead of the story, however. Before the issue was closed, I got two separate mailings from both the F.B.I. and the C.I.A., and all four, taken together, served to increase rather than dispel the suspicions that led me to write in the first place.

Certainly, there was little satisfaction or information to be gained from the F.B.I.'s first batch of documents. Apart from that complete record of the 1942 investigation, the single remaining page (dated March, 1967) consisted of a summary listing of six minor items. One noted that I "claimed" to be a conscientious objector to World War II—a strange way of referring to something supposedly established by the other 22 pages of evidence. In the second item, "a source who has furnished valuable information in the past" had informed the bureau that I had been a member of something called the "Pax Vobis Workers' Circle of German Catholics," an organization reportedly identified by West German authorities as having been established by "pro-Communist forces." A third item reported my listing in a New York *Times* advertisement as a sponsor of a Washington march for peace in Vietnam, while the fourth noted that a reproduction of that same ad had been published in the *Worker*, "an East Coast Communist newspaper." In September, 1963, according to the fifth, another (or possibly the same?) "source who has furnished reliable information in the past" identified me as one of the sponsors of the Universities' Committee on the Problems of War and Peace. The final item, which takes on added importance when considered in connection with the C.I.A. file, made it a matter of record that I was listed as an associate editor of *Ramparts* magazine.

The C.I.A. report, if nothing else, was more impressively organized: seven items were furnished in their entirety; 11 others had been subjected to some deletions; nine others were listed in the cover letter but withheld *in toto*. The first group contained nothing particularly startling. Two were standard bibliographical entries taken from *American Men of Science* and *Contemporary Authors*. Then there was a copy of the program for the 1968 Liturgical Week (on the theme "Revolution: Christian Response") listing me as a speaker. There was a photocopy of a *Times* ad in which I, along with a long list of other signers, protested the Soviet invasion of Czechoslovakia. The remaining three items all were concerned with my *Ramparts* "connection," one being nothing more than a compilation of the dates of 13 issues in which my name was included on the masthead.

It is probably best to pause at this point and comment on these various disclosures. Except for the "Pax Vobis" reference, I can enter the proud plea of "guilty as charged." Even with respect to that item, I do have a vague recollection of correspondence with a German group of that name; but I do not recall the "Workers' Circle" part, and I certainly know that my contact with them carried no "membership" implications. That the *Ramparts* editorship should receive so much attention borders on the comic. Some time after that magazine published an article of mine, the publisher or editor (I don't remember which) wrote to say he had taken the liberty of adding my name to the list of editors. He also assured me that if I had any objections, it would be removed at once. Needless to say, I had none. The title turned out to be strictly honorific, however. I never received an article to review or any other editorial task to perform.

It is amusing, therefore, to find this association, remote as it was to the point of being practically nonexistent, assuming sinister implications in the files of the C.I.A. That

such was the case can be inferred from one of the 11 partially censored items. A June, 1971 request for intra-agency approval of 19 prospective participants in the senior training seminar program received favorable action on all but one—me. The only hint of explanation was a handwritten notation to the effect that I was "connected" with Ramparts. It might be well to note in this context the point to be developed later in more detail: at this stage of the game I had no idea my name had been submitted; I was not to be asked if I would be willing to appear until the following February, after my name had been submitted—and rejected—again.

The Ramparts connection, such as it was, did not represent the full range of C.I.A. attention to my activities. The file included several 1967 entries concerning talks given or articles published dealing with such things as opposition to nuclear tests, the war in Vietnam, war taxes and the like. A copy of a long letter describing the newly formed Catholic Peace Fellowship was included, even though the only reference to me was a statement including my name as one of the sponsors. Also noted were a couple of advertisements I had signed and the fact that I had participated in a 1966 "town hall" meeting under the auspices of the Chicago Peace Council. Why any of these required censorship is not indicated; I can only assume the parts deleted had to do with names or other identification of the sources from which the information was obtained. As far as the items withheld in their entirety are concerned, they seem to be internal memos having to do more with procedures and operation than with substance. At least I am prepared to give the agency the benefit of that doubt.

The obvious question, and one to which we shall return at a later point, is why any of these items were in the C.I.A. file at all. Even if one were to view them as proof conclusive of subversive acts or intent, they were all "domestic" in nature and, consequently, not within the agency's proper jurisdiction. Only the "Pax Vobis" item had to do with foreign contacts, and that was in the F.B.I. file, not in that of the C.I.A.

Even more striking—and this applies to both files—is the fact that the materials, except for the 1971 entries about my projected appearance (and the 1942 record), do not relate to my period of most intense and organized opposition to war—that is, the war in Vietnam. It is almost as if I had bowed out of the peace movement in 1967 when in fact I was escalating my involvement. Along with Dr. Spock and the others selected for prosecution in the famous "show trial," I was one of the original signers of the "Call to Resist" with its declarations of shared culpability with those draft-eligible men who responded to the "Call." Like many others I operated as a volunteer draft-counselor and succeeded in helping a goodly number of young men obtain their classifications as conscientious objectors. This was the period, too, when I was elected to the governing boards of national peace organizations (SANE, the Fellowship of Reconciliation) and served as chairman of the American Pax Society, the predecessor of the American section of Pax Christi International.

The point of all this is not to recite a litany of service to the cause of peace in the hope of adding stars to my heavenly crown. There were others who achieved greater prominence—some would say notoriety—in the resistance movements and deserve the greater share of whatever praise is due. Though it is true that I stretched or bent the law by accepting draft cards turned in at a public protest ceremony or withholding the telephone tax, I invaded no draft board offices and vandalized no files. Still, I did maintain close personal contact with some of the priests and others who did such things and contributed to their defense efforts (once journeying to Baltimore in an unsuccessful

attempt to serve as an "expert witness" at the first of the Berrigan trials). So it is surprising, to say the least, that none of the teams of agents unleashed by J. Edgar Hoover to crush that Catholic "peace conspiracy" made note of by guilty association with the conspirators.

That none of these activities were caught by the C.I.A. is equally surprising despite the fact that these activities were domestic in nature and not that agency's responsibility. After all, the items they did record in their file fell into the same category. But there were other activities of a clearly foreign nature that might have stirred more legitimate interest. When my study of German Catholic support for the Hitler war effort was published in 1962, it was met by a storm of indignation and denunciation. One recurrent charge was that my findings could only serve the interests of "the enemies of the church" (meaning Communists) and encourage the forces in Germany seeking to undermine the Adenauer Government. Regardless of whether such charges were valid, it is passing strange that the whole controversy and its implications for NATO and American foreign policy interests did not merit any notice on the part of the agency most responsible for checking such potential threats. And it was true that my book and its findings were most enthusiastically received by the intellectual *linkskatholiken* (Catholic left) critics of *Der Alte*, including prominent figures and organizations that must have been on the agency's list of candidates for observation.

Perhaps it is too much to expect a literary/theological tempest in a teapot to be given a position of priority, but there are two other omissions deserving mention. Even I, who know how innocent they were, would agree that they should have stirred some official attention, even concern. I am not sure when it began—perhaps it was an outgrowth of that "Pax Vobis" exchange of hazy memory—but for some time now I have been engaged in a very occasional correspondence with organizers and leaders of the *Berliner Konferenz*, an East Germany-based organization of Catholics from 20 or so "Iron Curtain" countries with a program for promoting international peace and friendship. I have never been under the illusion that this organization, or, for that matters, its members share my own pacifist commitment, but I nonetheless welcomed the opportunity to establish some measure of contact with them. Over the past several years this has dwindled to an annual exchange of Christmas cards, but, back in 1967, I accepted an invitation to participate in a meeting held in Potsdam as a guest observer. Not only were my expenses while there assumed by my hosts (I assume the East German Government, ultimately), but special arrangements were made to drive me to East Berlin and back for a lavish and lengthy morning conference with leaders of the Christian party in the official Government political coalition.

Is it possible, I must ask, that the meeting and my attendance at it did not merit a brief item for my file? My hosts apparently thought otherwise, for the generously offered to dispense with stamping my passport to spare me any embarrassment or inconvenience—an offer, incidentally, I did not accept. If, as we have learned, overseas mail from East Germany and other Eastern nations was regularly monitored or if, as everyone assumed, my efforts to reach my prospective hosts by telephone from West Berlin were carefully recorded, there is no logical reason why there should be no reference to that visit in my file.

The other omitted item was similar, though admittedly far less dramatic. In 1973 I visited the U.S.S.R. as a member of a "Toward Enduring Peace" tour. However commonplace such international tour arrangements have become, the specific focus of this particular tour and the personal back-

ground of some of its members would have justified some show of interest on the part of our national security organizations. Or, if such interest would not really have been justified, it also would not have been unexpected.

I have gone into considerable detail on these omissions because I consider them extremely significant, for reasons to be explained. In any event, they seemed to justify further correspondence with both agencies to challenge the adequacy of their response to my request for the files. Though I honestly did not expect much satisfaction, I could at least take some enjoyment from imagining the consternation my letters, describing in some detail what my file "ought" to have contained, would cause when they arrived. But that pessimistic assessment was only partly confirmed. A few weeks later I was to receive a mailing of 15 additional items from the F.B.I., the product of a second search "based on additional details provided by you in your recent letter." It took the C.I.A. about a month longer before they, too, came up with copies of 17 additional items from their files.

Not all this additional material was new; none of it, despite references to my letter, touched upon the omissions I had requested. The 10 "new" items in the F.B.I. dossier—all relating to talks I had given, ads I had signed and certain of my peace affiliations—duplicated material previously furnished by the C.I.A. It was interesting to note that while some of the entries now extended to 1971 and 1972 activities, there was still no reference at all to my contacts or connections with the Berrigan brothers and others involved in their draft board actions.

In like manner the additional C.I.A. material studiously ignored the specific points I had raised concerning my overseas relationships. Nevertheless, it did furnish two "revelations" of some significance. The first had to do with the rather thorough accounts of talks I had given at two universities. It was clear from these accounts that they represented the kind of on-campus surveillance of anti-war activities that had brought the agency such well-earned criticism and condemnation for unwarranted intrusion upon the rights of individual citizens.

Of more immediate personal interest, however, were the new documents and internal memoranda bearing upon the objections that had been raised to my 1972 appearance as part of the agency's own training seminar program. The earlier mailing had shown that a July, 1971 request had been disapproved; now there was information as to the reason for that negative action. A September, 1972 memo referred to "current National Agency checks" and provided a list, or description, headed "subject's activities"—which, alas, was completely blacked out. But whatever that section contained, it was enough to lead to the conclusion: "The subject has been associated with numerous questionable activities in direct opposition to major U.S. foreign policy and has counseled others to oppose [the] Selective Service System." The decision to deny clearance carried no less than five handwritten and initialed concurrences.

Until now I had assumed it was this decision that had been appealed and reversed. The new material revealed that a second and separate application was submitted the following January and that this one, too, was denied "in view of the unfavorable information." It was this second rejection that was then appealed on the grounds that 1) "Subject is no worse than some of the other approved speakers who are quite 'controversial'"; 2) I had maintained a consistent record of conscientious objection since 1941; and 3) I had been selected precisely for the purpose of presenting my dissident views to an audience described as consisting of "20 senior agency officers who can hold their own in heavy discussions on the world situation."

For good or ill, the appeal was approved—but only on condition that, because of my "highly controversial background," all participants in the seminar were to be cautioned that any discussions with me had to be conducted on an "unclassified" basis and, a real surprise, that I "be escorted at all times while on agency premises." All the time I thought that was standard procedure!

It was at this point that "subject" was finally brought into the picture. Requests, rejections and successful appeals were all played out without anyone contacting me to see if I would be willing to take part, and, needless to say, none of what had gone on before was made known to me when the invitation was finally extended.

It should be obvious by now that what has been described here has crucial implications reaching far beyond one individual's unsatisfactory experience. Some of the questions raised by this account require no elaboration. Given the kind of material included in all four mailings—two each from the two agencies—was there anything to justify gathering such minor items in the first place or, allowing for the possibility that they came to the agencies unsolicited, entering or keeping them on file? Next, by what stretch of the imagination could one justify the judgment that the material so accumulated constituted a "highly controversial background"? Finally, once we have carried it to this point how could one ever justify going the additional step of basing any kind of a decision on so insubstantial a judgement without the "subject" being made aware of the consequences of that decision and given some opportunity to counteract it? In this particular instance, fortunately enough, there was little at stake. If, however, such procedures had been applied to someone under consideration for a Government appointment or in some other area of personal importance, the outcome might have been as tragic as it was unjust.

These considerations are premised, of course, on the assumption that both agencies knew what they were doing. There is a second and somewhat unsettling set of possibilities that might apply. For all we know these may be other items of information—even other files?—that have not been made available to me. In one of Director Clarence Kelly's letters, he refers to a search of the "central files." Are there perhaps "peripheral" files or "branch" files left unsearched? One cannot help but be troubled by the fact that a lengthy search of the files produced a single page of six relatively recent entries while a later, and much briefer, search of the same (?) files came up with more than twice that number. Is it possible that a third request, then a fourth and fifth and more, would each produce additional and more recent items? If so, how many such searches would it take before the F.B.I. discovered that Daniel Berrigan had once honored a book of mine as having had a major influence in the formation of his and his brother's "will to resist the legitimized murder of 20th-century war"? And, even more important, what conclusions might be drawn from that?

These are not frivolous questions. If a citizen's request for his file brings such careless or incomplete responses, the purpose of the Freedom of Information Act is being circumvented in effect, if not in intent. It is possible, I suppose, that our security agencies are so inept in their operations and their files in so chaotic a state of disarray that the pattern described here in such detail could be dismissed as a simple matter of bureaucratic breakdown. Possible, yes; but unlikely. If tomorrow the F.B.I. or the C.I.A. were to receive word from a "source who has furnished reliable information in the past" that I was engaged in some subversive ac-

tivity, I am more than confident that all the material they have on me could be assembled and in hand in much less than eight months.

Carelessness, incompetence or inefficiency are not sufficiently compelling explanations. I find it most plausible that the fault lies in the processes and procedures employed than in the sincerity and intent with which the agencies approach requests for copies of their files. To put it bluntly, I am not convinced that these agencies are prepared to comply with either the spirit or the letter of the law. There is, of course, no way definitely to confirm or refute this suspicion, short of being given full and unrestricted access to the files themselves. But the suspicion persists, nonetheless. If it is unfair to give voice to the suspicion without proof, it is surely no more so than for these agencies to pass an adverse judgment on the basis of such thin evidence as has been presented here. On the other hand, if more substantial evidence is at hand, the failure to make it available would constitute an evasion of the law as charged.

One final point. I would not want this account of my experience to dissuade anyone from exercising the rights established under the Freedom of Information Act. Quite the contrary. It was most gratifying to learn that the C.I.A. has been "virtually inundated" by requests for files and to find the F.B.I. justifying its plea for patience on the same grounds. If nothing else, this testifies to an upsurge of citizen concern over the actual or potential intrusions on the rights and privileges provided under the Constitution. Such requests, I would hope, will be increased rather than diminished by this account. It is a matter of record now that anyone who signed a petition or an ad, who may have written a letter to a newspaper or expressed an opinion that some "source who has furnished reliable information in the past" found subversive enough to report, might learn to his discomfiture that even these minor things have been carefully recorded and may at some future time be enough to classify him as a "very controversial" figure. It is certainly worth the effort to know where one stands in the eyes of Big Brother.

One should not expect too much, of course. Patience is advised, and a goodly measure of stubborn persistence may be required. Operating as Government-subsidized "clipping services," these agencies, I fear, are—to borrow Ron Ziegler's classification of the Watergate affair—"third rate" at best. Even so, let no one be deterred. If nothing else, the day may come when the opportunity will present itself at some cocktail party or other social affair to bring the idle chatter to a halt simply by saying: "You know, I have just received my file from the F.B.I. . . ."

HEW-SOCIAL SECURITY ADMINISTRATION REPORT ON MEDICARE COST-SAVING EXPERIMENTS AVAILABLE FROM WAYS AND MEANS COMMITTEE

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mr. VANIK. Mr. Speaker, in May 1976, the Ways and Means Oversight Subcommittee, which I chair, held 2 days of hearings on the subject of medicare cost-saving experiments. At that time, we requested periodic reports from HEW on the progress of the various experiments mandated under the Social Security Act.

I have received detailed reports from HEW and Social Security on the status

of the various projects underway and planned. I believe that these reports are valuable and interesting documents for all of those interested in health care delivery, medicare, and the control of health costs.

Copies of the reports are available, without charge, from the Ways and Means Oversight Subcommittee, 1539 Longworth House Office Building, Washington, D.C. 20515.

THE HIDDEN COSTS OF REGULATIONS

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mr. SHUSTER. Mr. Speaker, I commend to my distinguished colleagues the following article by Mr. Irving Kristol which appeared in the Wednesday, January 12, 1977, Wall Street Journal.

Mr. Kristol's brainy article brings to clear light the effects that the costs of regulations have on the corporation in terms of capital spending versus capital investment and on the public as stockholders, employees, and consumers:

THE HIDDEN COSTS OF REGULATION

(By Irving Kristol)

In all of the recent discussion of our economic condition, there has been controversy over whether a tax cut is really necessary and, if so, what kind of tax cut would be most beneficial. To the best of my knowledge, no one—not even John Kenneth Galbraith—has dreamed of proposing a tax increase. Yet that is what we shall get this year—specifically an increased tax on corporate income. Indeed, we got such an increase last year too, only no one noticed.

It is not really as surprising as one might think that our economists, our accountants, even our business executives should be oblivious to the steady increase in corporate taxation that has been taking place. Habitual modes of perception and conventional modes of reckoning are likely to impose themselves on a changing reality rather than go through a painful process of adaptation. And the learned economist or alert executive can fail to observe an important feature of a situation, simply because he wasn't looking for it.

Here is an example of what I mean. Corporation "X," in order to meet water pollution standards set by the Environmental Protection Agency, has to install new filtering equipment that costs \$2 million. How is this expenditure to be accounted for? Well, at present, it is counted as a "capital investment" and is carried on the books as an "asset" of the corporation. But does this make any sense?

After all, a "capital investment" is supposed to promise an increase in production or productivity, or both. An "asset," similarly, is supposed to represent earning power, actual or potential. But that new filtering equipment may do none of these things. Indeed, it may actually decrease productive capacity and productivity. In short, the \$2 million ought properly to be counted as a government-imposed cost—in effect a surtax; an effluent tax, if you wish—and the company's stated after-tax income should be reduced accordingly.

The government, instead of imposing an actual tax and using the proceeds to purchase and install the equipment, mandates that the firm do so. The end result, however, is the same.

A SOCIAL GOOD

Mind you, I am not saying that the new filtering equipment is just money down the drain. It does buy cleaner water, after all. But that cleaner water is a free "social good" and a "social asset" to the population in the neighborhood (and for the fish, too); it represents no economic gain to the corporation, which has only economic assets and knows nothing of "social assets." It also buys governmental "good will"—but so do bribes to foreign officials, and I am not aware that anyone has yet thought to capitalize them. On the other hand, the new equipment is unquestionably an economic cost to the corporation—and, of course, to the economy as a whole.

As things now stand, we render those economic costs invisible. That is both silly and undesirable. Silly, because they are real costs. Undesirable, because we shall never persuade the American people to take the problem of regulation seriously until they appreciate, in the clearest possible way, what it is costing them—as stockholders, consumers, employees.

The costs we are talking about are by no means small, and their impact by no means marginal. In fact, they are far, far larger and more serious than most people realize. Unfortunately, there are no comprehensive, precise estimates available. But one can get a sense of the magnitude of such costs from the following bits and pieces of information:

U.S. Steel has just signed a seven-year agreement with federal, state, and local environmental agencies that will require it to spend \$600 million over that period to eliminate air pollution from its Clairton Coke Works in Pittsburgh.

The steel industry as a whole will be spending well over \$1 billion annually on pollution controls—and that is a conservative estimate. This expenditure amounts to over one-quarter of the industry's total annual capital investment.

Meeting EPA's 1983 water pollution standards will cost all of American industry, over the next seven years, about \$60 billion for capital equipment and another \$12 billion annually in operating and maintenance costs.

Meeting noise pollution standards, as mandated by Congress and enforced by the Occupational Safety and Health Administration (OSHA), will involve expenditures of over \$15 billion in capital costs and \$2 billion to \$3 billion in operating costs in the years immediately ahead. If these noise standards are raised to the level recommended by the U.S. National Institute for Occupational Safety and Health—a recommendation endorsed by EPA—the capital costs will climb over \$30 billion.

The Wall Street Journal recently reported that new health regulations in the cotton industry will cost some \$3 billion over the next seven years. It has been estimated by Professor Murray Weidenbaum that American industry's costs to meet OSHA safety standards *this year* will be over \$4 billion.

EPA is on record—for what that is worth—as calculating that industry's total capital investment requirements for all kinds of pollution control equipment will, in the decade 1972-81, add up to \$112 billion.

None of the above figures is particularly reliable, and they may even not be entirely consistent with one another. But they do suffice to give a pretty fair indication of what is going on. Even so, important costs are omitted—those costs, for example, which involve product redesign or the design of the work place. Thus, the increased cost of housing over these past years results, to a significant degree, from various environmental regulations. And Ewan Clague, former U.S. Commissioner of Labor Statistics, points out that productivity in bituminous mining has decreased 30% since 1970, largely as a result

of the passage in that year of the Coal Mine Health and Safety Act. These indirect costs are not capitalized, of course, and technically are not "hidden." On the other hand, who would claim that the public appreciates their dimensions?

As one contemplates those numbers, various inferences suggest themselves. One is that a clear distinction ought to be made between "capital spending" and "capital investment." We are told that capital investment last year amounted to \$121 billion, and economists were somewhat disappointed that this represented only a 7.5% increase over 1975. But if, as seems likely, as much as 10% of that figure should not be counted as "capital investment" at all, since it consisted of economically unproductive expenditures of capital to meet governmental regulations—where does that leave us? It leaves us, I would suggest, with a net reduction in true capital investment in 1976, the economic effects of which will be with us for years ahead. One such probable effect, a decline in the rate of growth of the American worker's productivity, has already been noticed—though never accounted for.

It may be argued that these economically unproductive expenditures do, after all, create jobs (temporarily) and do contribute to the Gross National Product. But so would the corporate construction of beautiful pyramids, at governmental behest. That would create jobs (temporarily), inflate the GNP, and provide us with a "social good" (a great spectacle). But it would be a cost to the economy, and if our conventional statistics are incapable of showing it as such, then it is those statistics that need revision.

COSTS PASSED ALONG

It is also true that, in many cases, corporations are able to maintain their profit margins by passing on their increased costs—directly to the consumer, indirectly to their stockholders (by holding down dividends) or to their employees (by granting lower wages than they otherwise might). But that is what usually happens to corporate taxes—they get passed on to *someone* since the corporation itself is only an economic mechanism, not an economic person (except, fictitiously, in law). In the world market of today, however, not all corporations can pass on those costs. In those instances, we get declining businesses, declining industries, a sagging economy. In any case, those costs—passed on or not—should be visible, instead of hidden as they now are. The Federal Reserve's index of plant capacity, for example, apparently makes no effort to distinguish between capital expenditures and capital investments, and is to that degree misleading.

It is true, too, that firms can depreciate their uneconomic, mandated capital expenditures. But that equipment will have to be replaced as it depreciates with age—we are not talking about a one-time expense.

The situation we have gotten ourselves into would be ridiculous if it were not so serious. We are much exercised—and quite rightly—by the fact that the OPEC monopoly has cost this country some \$30 billion in increased oil prices since 1972. But in that time we have inflicted upon ourselves much larger economic costs through environmental and other regulations—and will continue to do so, perhaps at an increasing rate.

Yes, these economic costs do buy real "social goods." But may the price not be too high? Is the resulting inflation of prices, constriction of productive capacity and increase in unemployment worth it? Would it not be appropriate for us to ask ourselves this question openly, instead of going along with the environmentalists' pretense—so pleasing to our politicians—that our "social goods" cost us nothing at all? Isn't it time that business stopped bleating in a general way about those costs and showed us what they really mean, all the way down to the bottom line?

A LETTER TO PRESIDENT-ELECT
JIMMY CARTER

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mr. FISHER. Mr. Speaker, I am inserting into the CONGRESSIONAL RECORD a letter from Matthew J. Kerbec, president of Output Systems Corp., to the President-elect on the subject of the economy.

Mr. Kerbec's remarks do not necessarily reflect my own point of view; however, I did want to share his opinions with my colleagues:

DECEMBER 22, 1976.

President-elect JIMMY CARTER,
Atlanta, Ga.

DEAR MR. CARTER: There is little hope for prosperity in the next four years. Present energy and economic policies will guarantee a sick economy. How sick, will depend on whether the Government will return enough money to consumers to compensate for increasing prices and how much energy and economic policies will change.

It is frightening to find that at the end of 1976, the Nation is again in a recession after spending over \$100 billion in 1975 and 1976 to stimulate the economy. This was \$11 billion more than the entire Defense budget for FY76. If another \$20 billion is spent for economic stimulus in 1977, the National Debt will increase by another \$97 billion and there is another whopping increase already programmed for FY78. The U.S. is following the borrowing patterns of Italy, Great Britain and other countries which have been hit with triple digit energy price hikes.

The real shocker is that the National Debt will increase by 69% in the 1973-77 years. It required 196 years and four major wars to accumulate a debt of \$437 billion by 1972. From 1973-77 the National Debt will go up another \$303 billion. Piling up debt at this rate can set the stage for hyperinflation as the Treasury Department keeps printing and selling more and more securities to pay its bills. Little publicized is the fact that there is a significant difference between the yearly "budget deficit" and the increase in the debt. It would be much more meaningful for the Government's financial goal to be "zero increase" in National Debt than a "balanced budget" which does not include off-budget deficits which will amount to over \$90 billion in the 1973-77 years (see Table I).

THE 1976 RECESSION WAS NO SURPRISE

To understand the reason for the 1976 recession, it is necessary to go back to 1973 when the first massive price increases for energy started to switch the economy from a demand-pull (too much money chasing too few goods) to a virulent cost-push inflation (skyrocketing basic product prices). Many

specialists wrongly treated the huge energy price increases as a one-time price bulge which would be quickly absorbed. The real economic damage only becomes apparent when the 1973-76 years are examined as a block. From July 1973 to December 1976 it is estimated that final prices for natural gas, coal and refined oil products will have increased over \$186 billion.

But this is only the start of the economic damage assessment. The \$186 billion caused a self feeding series of economic ripple effects resulting in massive inflation, millions of lost jobs and ever growing budget deficits. It is estimated that higher prices will siphon over \$587 billion in purchasing power out of the economy in the 1973-77 years. Industries recycle part of this back into the economy as wage increases, taxes, dividend payments and investments. But, more was taken out than returned. The \$100 billion in stimulative spending in 1975 and 1976 went like water through a sieve. Even with this spending unemployment rose to 8.1% in November 1976. The evidence shows that higher prices drained away purchasing power faster than wage increases and Government spending replaced it and this was the primary reason for the 1976 recession. With an estimated 6% cost-push inflation for 1977, another \$113 billion will be taken away as higher prices. Under the assumption that \$20 billion is programmed for economic stimulus in 1977 there is little reason to believe the economy will improve unless something is done to reduce prices.

LITTLE HOPE FOR ECONOMIC IMPROVEMENT
1977-1980

It is logical to assume that the Organization of Petroleum Exporting Countries (OPEC) will periodically increase oil prices to the level that will keep its customers solvent but not overly prosperous. From OPEC's standpoint, a justifiable pricing schedule could be one that mandated price increases (all the traffic will bear) until OPEC members felt that the standard of living of their people was equal to that of their customers. Ripple effects are of little concern to OPEC or domestic energy producers.

This is another way of saying that the U.S. and other oil importing countries will not have to worry about overheating their economies by too much fiscal or monetary stimulus. Both OPEC and most governments now know that one quick way to reduce the demand for goods and services is by increasing energy prices. Actually, the OPEC cartel would be remiss in its responsibilities if it did not increase prices when the demand for goods exceeded supply in the oil importing countries. Under these conditions, prosperity may only become a dream to oil importing Nations.

As U.S. energy pricing policies are aimed at getting domestic energy prices up to OPEC levels in the shortest possible time, the "windfall" profits that accrue for each price increase will mostly go to U.S. energy

producers rather than OPEC but the economic ripple effects in terms of inflation, lost sales, unemployment and spiraling National Debt will be the same.

The following are a few of the pressures that will force up prices in 1977: (1) U.S. energy companies will be under pressure to increase domestic crude oil prices in accordance with the 1975 Energy Policy and Conservation Act and also at the refinery level to compensate for loss of revenues caused by nationalization of their foreign income producing assets. If President Ford's current attempt to decontrol gasoline prices is successful, it will mean the end of price controls on almost all refined oil products. Thus, the Nation will be subjected to still more periodic energy price increases, in addition to OPEC's increases, which will siphon away more purchasing power. The direct and ripple effects of each one cent per gallon increase in refinery products will drain approximately \$6.5 billion out of the economy. This could be cumulative if wholesalers and retailers added a cent; (2) another inflationary factor is that many companies have adopted the practice of hiking prices regardless of whether sales go up or down. Many believe that companies are doing this because they fear price controls. In 1974 President Ford absolutely guaranteed there would be no price controls; yet, from December 1973 to December 1974 steel prices increased by 38%, industrial chemicals 83%, plastic resins 97% and agricultural chemicals jumped 71%. No industrialized, profit oriented economic system can endure without massive disruptions under these pricing pressures. Since then, these prices have continued to increase even in the face of falling demand; and (3) multiyear wage contracts in the basic industries have provided relatively large wage increases in the heavily unionized basic industries which will contribute to inflation and create additional ripple effects.

Guaranteeing there will be no price or wage actions is like a cancer specialist saying he would never use surgery to treat breast cancer. Price and wage policies are a necessary part of a complete set of economic tools which should also include fiscal, monetary and antitrust policies.

Based on new economic theories I developed, it was possible in 1973, to predict the coming unprecedented inflation/recession in the 1974-5 years and the recession in 1976. Most of these economic illnesses could have been avoided and presently there are actions that can be taken to minimize the Nation's economic and financial deterioration. I will be happy to meet with your representatives to discuss how this can best be done.

Sincerely,

MATTHEW J. KERBEC,
President.

P.S. Some of my comments in notes A and B have been quoted in the December 27, 1976 edition of Newsweek Magazine, p. 30.

TABLE I.—SELECTED STATISTICS FOR THE YEARS 1973-77

Year	GNP current (trillions) (1)	Inflation CPI year to year (percent) (2)	Purchasing power lost through inflation col. 1 x col. 2 (billions) (3)	U.S. budget deficits, (billions) surplus or deficit (-) (4)	Off-budget deficits (billions) (5)	Total national debt (billions) cumulative (6)
1973	\$1,306	6.2	\$80.9	\$14.3	\$16.8	\$468.4
1974	1,406	11.0	154.6	-3.5	14.3	486.2
1975	1,499	9.1	136.4	-43.6	14.3	544.1
1976 estimated	1,708	6.0	102.5	-65.6	21.6	631.3
Transition quarter				-12.7	1.5	645.5
1977 estimated	1,890	6.0	113.4	-75.4	22.0	742.5
Total	78.09	38.3	587.8	-214.7	90.5	3,518.0

Notes.—(1) Cols. 1, 2, and 3 are in calendar years. (2) Cols. 4, 5, and 6 are in fiscal years. (3) Unless estimated, col. 4, 5, and 6 data is from Economic Indicators, October 1976, Joint Economic Committee. (4) The \$75,000,000,000 deficit for fiscal year 1977 includes \$20,000,000,000 for fiscal

stimulative actions. Prepared by Output Systems Corp., Arlington, Va.
Source: Unless otherwise noted data is from Economic Report of the President, January 1976.

DISCUSSION

Column 5 (Off Budget Deficits) represents money spent by the government that does not go-through the Congressional budget process. These deficits come from Government owned activities and Government sponsored Credit Systems. The debt from these entities is part of the Gross Federal Debt but is not subject to the statutory debt limit. Budget authority and outlays for these off budget entities completely escape the new Congressional budget process (Ref: Off Budget Activity of the Federal Government, House of Representatives Report No. 94-1740.) President Ford's Budget for 1977 observed that, "In many cases there is little or no justification for off-budget treatment."

In Table I above, this hidden debt is estimated at \$90.5 billion (1973-77) and was in addition to the \$214.7 billion which is widely reported in the news media. In the 1973-77 years the Treasury Department's printing presses will have to print and the Treasury will have to sell a total of \$305.2 billion worth of securities to pay its debt for these five years. Assuming a 6.5% interest rate, in FY78 interest alone will cost \$19.7 billion. This is more than the total budgets of the Department of Commerce, Interior, HUD, Justice, and State plus the combined budgets for the Legislative and Judicial branches of Government in FY76.

As there is no reason to believe that we will pay back any of the principle, starting with FY78 the Treasury will have to print and sell \$303.7 billion in new securities and pay interest on the interest. It required 196 years to accumulate a National Debt of \$437.2 billion by 1972. From 1973 through 1977 the U.S. will have increased its National Debt by over 69%. The projected deficit for the FY78 budget is approximately \$44 billion with an estimated \$20 billion for off-budget deficits which are beyond Congressional control. Primarily responsibility for the deteriorating economy and financial structure of the U.S. can be traced to the huge price increases for energy and energy intensive basic products that occurred in 1973 and 1974. As these prices keep ever rising the economic and financial condition of the U.S. will get worse.

NOTE A

Energy as a percentage of total material costs for the following products are: steel 23%; fertilizer 43%; chemicals 30 to 60% and aluminum 18%. It takes 22% of all U.S. energy to farm, process and distribute food. Oil and coal costs amount to about 45% of all electric bills. When energy prices increase over 75% in one year (July 1973 to June 1974), they automatically create Economic Ripple Effects that cause massive inflation, unemployment and budget deficits.

The U.S. from now on will be in a perpetual series of economic and financial crises as present U.S. energy price policies are aimed at getting all U.S. energy prices up to OPEC levels regardless of the economic damage.

Kerbec predicted the economic disruptions of 1974-76 in 1973 and states that most of the disruptions could have been avoided.

NOTE B

From 1973 through 1974, coal, natural gas and refined petroleum product prices increased an estimated \$62 billion or a total of \$186 billion from 1973 through 1976. About \$50 billion of this went to OPEC. The rest represented an approximate loss of purchasing power of \$136 billion.

In 1976 the total cost for all forms of energy in the U.S. is estimated at \$165 billion. This is greater than the total food cost.

From Dec. 1973 to Dec. 1974 energy, steel, chemical and other energy intensive basic product prices increased over 60% and were the primary causes for the 12% inflation in 1974. These price increases caused economic

ripple effects which caused massive unemployment and record budget deficits. This chain reaction is still in motion as energy and other basic prices continue to increase regardless of whether sales go up or down. There is no relief in sight in 1977 or 1978.

SOURCE: *The Ripoff Years 1973-76*, Output Systems Corporation, 2300 S. Ninth Street Arlington, Virginia 22204, Phone: (703) 521-2300.

THE MIDDLE-AGED AND OLDER WORKER EMPLOYMENT ACT OF 1977

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mr. RICHMOND. Mr. Speaker, on January 4, 1977, I introduced the Middle-Aged and Older Worker Employment Act of 1977 as a means of easing the unemployment crisis and stimulating greater opportunities for the worker over the age of 40.

The legislation which I have introduced would establish a midcareer development service within the Department of Labor through which the Secretary would be authorized to make training loans and grants for programs to improve the skills and abilities of older and middle-aged workers, and would provide recruitment, placement, and counseling services in the case of a mass layoff in a given area. The bill provides for research to improve and stimulate opportunities for middle-aged people, and enables the President to appoint a Commission on Lifelong Adult Education.

All the elements of the bill are intended to alleviate the stages of crisis that the employed person encounters once he reaches the age of 40, and to keep the person over 40 as a productive member of society.

According to several key studies conducted over the past several years, when an employed individual reaches his 40's or 50's he begins to face some very serious difficulties—"joblessness begins to rise, duration of unemployment increases sharply, occupational mobility is seriously limited, and the incidence of poverty increases."

From August 1969 to November 1976, the number of unemployed increased from 2,856,000 to 7,769,000, representing a percentage increase of 272 percent. While the increased unemployment was difficult for the entire Nation, the increase had very serious consequences for that group of workers over the age of 40.

In August of 1969, there were 596,000 unemployed Americans over the age of 40. Today there are 1.4 million Americans over that age out of work. According to Department of Labor statistics, this represents 26.7 percent of the total unemployed. While the national unemployment rate as of November was 7.8 percent, it is fast approaching 9 percent for individuals between the ages of 55 and 64.

According to a report by the National Council on Senior Citizens, the above figures only represent the "tip of the iceberg." Because of the limited possibilities for employment, it was estimated in 1972

that more than 2.5 million older men had "withdrawn" from the labor force. Assuming that just 25 percent of these individuals wanted and needed employment, then 600,000 people would have to be added to the number of unemployed. The figures are even worse for women. The NCSC study noted that in 1972, 11.6 million older women were out of the labor force. If just 5 percent of these women wanted and needed employment, then another 600,000 people would have to be added to the unemployment figures. The conclusion by the NCSC was that if the present trend continues, in a few years 1 out of 6 men between the ages of 55 and 59 will no longer be in the labor force.

One of the major problems facing older workers who have been laid off and seeking employment is the duration of unemployment.

The Senate Special Committee on Aging reported that older workers can expect to be unemployed 30 to 70 percent longer than other groups. Currently, 1 out of 3 has been unemployed longer than 15 weeks, 39 percent are in the category long-term unemployment or unemployed longer than 27 weeks, and 40 percent are in the category of very long-term unemployment or unemployed for longer than 6 months.

These figures become more significant when one takes into consideration that, though, in some States, such as New York, it is possible to collect unemployment benefits for as long as 65 weeks, the average duration of unemployment benefits is 20 to 25 weeks.

The options once unemployment compensation is exhausted are limited. For many the only recourse is welfare. For others, if they are at the Social Security ages, 62 or 65, it is possible to begin collecting social security benefits. However, many of those who begin receiving social security benefits hope to find some income to supplement the benefits, but not so much income that it would decrease the benefits.

For those below social security age there is a possibility of taking part-time employment but very often it is with drastic reductions in pay and requirements in skill. For these individuals, aside from the difficulty in paying mortgages and supporting families, long-term unemployment may possibly have the damaging effect of reducing future retirement income.

The saddest element of all the figures concerning older people is the increasing level of poverty. According to the Bureau of Census, there are 25,877,000 people now living in poverty. Of that figure 5,450,000 represent heads of households. Of these 5 million family heads, well over 1 million are between the ages of 45 and 64, and 728,000 are over the age of 65.

One of the problems of older employment legislation is convincing people that older people want and need to work. The 1 million heads of household are obvious evidence of the need. It can certainly be assumed that a good percentage of them are able and willing to work. Though, the Age Discrimination Act was a positive step, it is not positive enough. Though, title IX, community service jobs are an

excellent step, officials have testified that the serious problem rests with those people below the social security age seeking full-time employment. Though, CETA was supposed to assist older workers, title III mentions the elderly as a target group, it is up to the discretion of the prime sponsor whether or not it intends to make use of elderly workers.

Obviously, a more affirmative step is needed to provide jobs, uplift the skills and capabilities of older workers, provide seriously needed training and counseling services to prevent future despair, and to research and develop more opportunities for middle-aged and older Americans.

CURRENT TECHNIQUES IN CHILD-BIRTH

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mr. BINGHAM. Mr. Speaker, one of my constituents, Mrs. Estelle Cohen, of Co-op City in the Bronx, has made a special study of current techniques in childbirth which she is convinced are dangerous and responsible for many grievously handicapped children. The following letter, which appeared in the New York Post on February 23, 1976, summarizes her position:

[From the New York Post, Feb. 23, 1976]

BARBARIC CHILDBIRTH?

Let's continue to manage childbirth in our hospitals in the worst interests of babies; let's continue to use hazardous drugs and flat delivery tables; let's continue to start labor at our convenience and hurry it along; let's remove newborns from their mothers to be fed from a bottle by a stranger in a nursery.

Let's pour millions of nonlearning and disturbed children into our population and let's continue to ignore the relationship between their impaired nervous systems and the assaults on them at their births. When the barbarism of childbirth, American style, is finally recognized, let's wonder why so many were silent long after the warning signals went up.

I also include herewith a letter Mrs. Cohen wrote to the New York Times published on April 20, 1976, in response to a letter from a Vermont doctor who criticized the movement toward births at home:

[From the New York Times, Apr. 20, 1976]

To the Editor:

In decrying the movement toward births at home, Dr. Landrum B. Shettles wrote [letter April 10] that "a single loss of a baby or mother under such inadequate circumstances is simply unacceptable."

The sad fact is that for the healthy woman capable of bearing children without the intervention of less-than-omniscient obstetricians the odds in favor of a neurologically intact baby are probably better in the home birth than in most of our hospitals.

A Congressional inquiry is long overdue on the continued ignoring of research warnings about potentially hazardous obstetrical drugs and techniques because the presence of such great numbers of brain-impaired children in our population should be "simply unacceptable." There has been a disas-

trous failure to appreciate the folly of unnecessary meddling in the normal birth process, a meddling which is still to be publicly decried by the American College of Obstetricians and Gynecologists and the American Academy of Pediatrics.

Mrs. Cohen has also furnished me with the following items of interest in the same connection: an article from the New York Daily News of November 16, 1976, and excerpts from a Jack Anderson column of February 23, 1976.

[From the New York Daily News,
Nov. 16, 1976]

HOME BIRTHS SAFER, SAY SOME DOCS (By Gus Dallas)

Women should give birth at home instead of in hospitals because the risk of damage to the baby is greater in the hospital, according to some doctors who attended an obstetrical management conference at the Statler Hilton Hotel yesterday.

Dr. Robert S. Mendelson, pediatrician and associate professor of preventive medicine at the University of Illinois, predicted that 10% to 15% of the babies born in hospitals in the next 12 months will be needlessly damaged during labor and birth. He advised greater use of midwives.

HOW DAMAGE OCCURS

"Doctors intervene too much in what is a natural process; they act as if pregnancy is a nine-month disease that needs their help to be resolved," he said at the conference of the American Foundation for Maternal and Child Health.

He said birth damage is brought about when doctors rely too much on drugs, anesthesia, analgesics, inducing birth, discouraging breast feeding and ignoring psychological needs of the patient. Risk of infection and accidents in a hospital is greater than in the home, he said.

A comparison matching women who had babies at home with women who had them in a hospital indicated greater damage instances in hospitals, according to a study reported by Dr. Lewis E. Mehl of the Infant Development Center of the University of Wisconsin.

There were 1,064 women in each group when the study commenced, but 8% of those who had planned to have their babies at home had their delivery in the hospital because of complications, he said.

He said the study showed that there was no difference in deaths but that there were 30 birth injuries in hospitals compared to none at home; 52 hospital infants needed resuscitation, to 14 at home; six suffered neurological damage in hospitals, to one at home, and eight had infections in the hospital, to two at home.

"I believe that a hospital environment leads the hospital practitioner to expect pathology and intervention is started that may not be necessary," he said.

He did not advise that all women should have their babies at home, but said women should be informed of risks and options so that they can make their own decisions. Malpractice suits also would decrease drastically, he said, since many suits are brought by patients who contend that they were not told about side effects and other risks, he said.

JACK ANDERSON (WITH LES WHITTEN)

We recently reported that the stodgy administrators of the National Institutes of Health were stifling research which they considered "unconventional." This has caused the U.S. to drop behind other nations in certain fields.

In response to our column, several scientists have contacted us about other vital research that NIH is neglecting. Here are a few examples:

Dr. Robert Reisinger has claimed for years

that sudden infant death syndrome is more likely to occur among bottle-fed than breast-fed babies. This was supported last year by a New Zealand study which claimed 10 bottle-fed infants die of the syndrome to every breast-fed infant.

THE FRENCH CAPITULATION: A BLOW TO PEACE IN THE MIDDLE EAST

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mr. SOLARZ. Mr. Speaker, I am outraged, as I suspect most Americans are, at the cowardly capitulation of the French Government in releasing the Palestinian terrorist known as Abu Daoud. This man has publicly boasted of his role in the murder of 11 Israeli athletes and 6 other people at the 1972 Munich Olympics. But it was not only some innocent Israelis who were the victims of the murderous machinations of the terrorist organizations with which he is associated. Our own Ambassador to the Sudan was murdered in an attempt to obtain his release from an earlier imprisonment.

In hastily releasing a leading terrorist whose extradition was sought by both Israel and West Germany, France belies its recent threats to crack down on the plague of terrorism of which its own agents have been the victims. How would the French Government react if another nation were to casually release the terrorist Carlos who has murdered French citizens? The battle against terrorism cannot be effective unless all nations cooperate.

Beyond this, the French action is reprehensible because it diminishes the prospects for peace in the Middle East. If Israel is to withdraw from occupied territories as part of a peace agreement, thereby rendering itself more vulnerable to another Arab attack, it must have believable assurances from the nations of the world that they will guarantee the inviolability of whatever borders are agreed to within the framework of such a settlement. When France violates its own treaty with Israel as well as accepted standards of international justice and morality, it is hardly likely to reassure Israel that it can rely on the kind of subsequent commitments that will necessarily have to be part of any future agreement between Israel and the Arabs.

Unfortunately, France appears to care more about its blatant campaign to curry favor with the Arabs than its international reputation for independence and integrity. The French now have bids on several enormous projects in Egypt and Saudi Arabia. The irony is that France does not appear to have been any more successful in obtaining such contracts than West Germany and other European nations which have not found it necessary to abuse themselves before the Arabs.

What is at stake here is not merely the interest of Israel in bringing to justice those responsible for the murder

of its citizens but also the ability of the entire international community effectively to curb the scourge of terrorism. Without the cooperation of all nations, no nation can assure its citizens of their safety. France, by its craven capitulation to the terrorists, has not only forfeited its claim to national respect, but has also dealt a severe blow to the cause of international tranquility.

The ancient shibboleth of the French Revolution which has inspired thousands may have to be amended to read liberty-equality-fraternity-terrorism.

STREAMLINING WELFARE PROGRAMS

HON. MARTHA KEYS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mrs. KEYS. Mr. Speaker, my colleague, Mr. FRASER, has written a superb article for the Washington Post on the streamlining of our welfare system. With the Congress facing the problem of sorting out the many issues involved in welfare reform, I highly recommend Mr. FRASER's concise analysis of the present problems and some proposed solutions:

STREAMLINING WELFARE PROGRAMS (By Donald M. Fraser)

Mr. H. was angry.

"Uncle Sam, keep your lousy raise," he wrote. "I am much better off without it!"

The irate constituent, a 56-year-old disabled construction worker, explained that his problems started in July when his social security disability benefits increased by \$14 a month. "First, they took away my Medicaid, then the price of food stamps went up, and also my rent in the high-rise. The final blow came when my veteran's pension was cut.

"They took away the increase and much more!"

Mrs. S., a 67-year-old widow, used less harsh terms when she wrote to complain about the same problem. "I had to get recertified for food stamps in May," she explained. "I was told: 'You'll be getting an increase in your social security in July, so we will have to raise the cost of the food stamps by \$5.' Then a letter came to reduce my [state welfare] supplement by \$2.10. Then a letter from the housing authority raising my rent by \$2."

"So after a social security raise of \$12.20, I came out with a \$3.10 'profit.' Sometimes you wonder just who is getting the increase!"

Mr. H. and Mrs. S. are two of the millions of Americans caught up in the complex interactions of a vast array of federal programs providing cash payments and "in-kind" services for those with special needs. Because they receive assistance from multiple sources, these people often find that an increase in benefits from one program triggers reductions and/or loss of aid from other sources. Mr. H. and Mrs. S. receive their main source of income from social security. Their other benefits are "income tested," meaning that eligibility is contingent on limited income and assets. As their income rises, these benefits are reduced and eventually eliminated.

The lives of these two recipients are not as complicated as some. The Federal Council on the Aging in its 1975 report determined that the federal government funds 34 separate programs that directly aid older

people. These programs, the council reported, are characterized by "administrative complexity and expense; inequalities in the distribution of benefits and requirements for eligibility, and confusion among potential recipients."

"The situation has been made even more complicated and confusing," the council added, "by the tangled mix of benefits which include cash, food, housing and medical care as well as a long list of services."

A SPRAWL OF PROGRAMS

The study was limited to aid for the elderly, but the same fragmentation affects benefits for all age groups. A recent Library of Congress report listed 55 separate programs providing government payments of cash or services to various groups of people with limited incomes.

These 55 programs have grown haphazardly over the years. Programs have been piled on top of programs with little regard for uniformity or equity.

A landmark congressional study of the welfare system, directed by former Rep. Martha Griffiths, looked at the causes of this chaotic development and found:

"Our income security programs are shaped by at least 21 committees of the Congress and by 50 state legislatures, by six Cabinet departments and three federal agencies, by 54 state and territorial welfare agencies and by more than 1,500 county welfare departments, by the U.S. Supreme Court and by many lesser courts.

"Each of the congressional committees typically deals only with its own subject area, although changes in one benefit program, such as cash welfare or social security, commonly affect another, such as food stamps or veterans' pensions. Because of the categorical nature of the 'system' and the restricted viewpoint of the executive agencies and congressional committees, attempts to remedy one program tend to create another."

In an effort to cut through the "tangled mix" of federal programs, Martha Griffiths and others have proposed building a national welfare system around a uniform, federally administered program that provides a minimum income for those who cannot support themselves for one reason or another. Under this approach, the state-administered Aid to Families with Dependent Children (AFDC) program would be eliminated. Certain non-cash benefits such as food stamps, housing assistance and social services would be "cashed out." Recipients would get the full or partial cash value of these various "in-kind" benefits.

This approach brings uniformity and administrative simplicity to the current fragmented welfare system, but it also raises some difficult fiscal and political problems.

VARYING STATE STANDARDS

To begin with, current benefit levels vary greatly from one state to another. In Minnesota, for example, a family of four can receive the cash equivalent of roughly \$7,000 a year in various welfare benefits, while the same family in Alabama or Mississippi can receive only about half as much in benefits.

If Minnesota's standard is adopted for the entire country on a cash basis, the cost to the federal government would be in excess of \$120 billion a year.

Some will argue, of course, that Minnesota's standard is too generous. They will maintain that the federal government should set a lower standard and permit states like Minnesota to supplement the federal benefit with state funds if they choose to do so. But that would require a complicated two-tier system of federal and state benefits.

"Cashing out," moreover, poses some broad policy questions: How do we determine what the federal benefit level should be? Do we merely calculate the average benefit now being paid by the various states

and set the national benefit at that level? What about regional variations in the cost of living? And, finally, how much more federal money can we afford to devote to income maintenance?

When we start looking for the answers, we run into the realities of congressional politics. Welfare reform is a relatively simple political issue for representatives from the smaller states with low benefit levels. Any new federal program which replaces AFDC is likely to mean a reduction in state spending and at least a slight increase in benefits for recipients. But House and Senate members from the larger states, particularly those in the Northeast, will find that welfare reform does little to help their recipients or to lighten their states' financial load unless substantial new federal money is injected into the system.

How can we ease the fiscal pressures facing the high-benefit states at a time when voters are clamoring for a cleanup of the welfare "mess" and a tight federal budget permits little in the way of new initiatives? Obviously, this central question will not be answered easily or quickly by political decision-makers.

NEEDED: A POLICY

While we are looking at the "tangled mix" of federal benefits, we need to keep in mind that federalizing AFDC and "cashing out" the "in-kind" benefits represent only one approach to the issue of welfare reform.

Some have proposed that we leave the current programs in place and concentrate instead on helping the needy by giving them jobs and tax credits. Many welfare experts advocate a "three-track" system which deals in different ways with those who can work but are unemployed, those who are working but at low-paying jobs, and those who are unable to work outside the home. Under this plan, public jobs would be found for the able-bodied in the public sector if no jobs could be found for them in the private sector. These people could obtain benefits at least temporarily through the unemployment compensation system if they could find work in neither the public nor the private sectors. The working poor would be aided through the tax system by expanding the earned income credit now providing a kind of negative income tax for those earning less than \$8,000 a year. Welfare would be retained for the elderly, the disabled and single parents with small children at home.

Congress and the Carter administration will have to explore the various approaches to welfare reform and develop a plan that is humane, cost-effective, administratively efficient and politically stable. Obviously, this is not a task that can be completed in the first hundred days of any new administration or Congress.

Our first task will be to develop a framework within which the work of welfare reform can go forward. We will have to look at the broad policy questions: What are we trying to accomplish through the welfare system? How do we deal with the needs of the working poor? How do we divide our resources between this group and the unemployed? What kinds of work requirements and work incentives do we build into the system? Which "in-kind" programs should be "cashed out?"

A ROLE FOR CONGRESS

As we look for the answers, we may find that the solution to the welfare "problem" does not lie in major new federal initiatives. Rather, we may find that current programs can be adjusted to function more adequately within a coherent, integrated framework.

Congress has contributed in large part to the fragmented development of existing programs, as the Griffiths study notes. With 21 committees in the House and Senate each

shaping its own legislation, it's understandable that a more integrated welfare policy has not emerged from Congress.

Clearly, any major welfare reorganization effort will need the active support of the administration if it is to succeed. President-elect Carter has indicated strong support for the goal of welfare reform and is likely to send a legislative package to Capitol Hill sometime this year.

But Congress need not wait for the administration to prepare the legislative blueprints. There are steps the legislative branch can take early in the new session to overcome structural roadblocks to comprehensive policy-making. New rules in the House, for example, enable the Speaker to establish temporary committees to handle those issues that cut across existing committee jurisdictions. This procedure might be used to deal with the question of welfare reform. Members of a Temporary Committee on Welfare Reorganization could come from Ways and Means, Agriculture, Veterans' Affairs and other House units with jurisdiction over the various cash and "in-kind" benefit programs.

This committee, working together with the administration, could begin the task of national goal-setting that must proceed before we can start overhauling programmatic machinery. The committee could spend the early months of the new session examining the current programs and formulating an approach to those broad issues that Congress has not been able to address because of jurisdictional fragmentation. The new House unit could then begin developing reorganization proposals that the 95th Congress could consider and act upon during its second session. Given the timetable required by the Congressional Budget Act, these proposals, if adopted, probably could not take effect until the fiscal year beginning Oct. 1, 1978.

SOME INTERIM STEPS

Major welfare reorganization may be at least two years away, but there are interim steps that Congress can and should take. In the short run, the new House Welfare Committee could deal with certain program interaction issues that cause such problems for recipients and administrators.

For example, the Committee could examine the impact of the automatic cost-of-living increases built into the social security and supplemental security income (SSI) programs for the elderly, blind and disabled. These yearly increases have caused many recipients to lose other benefits, since eligibility standards for food stamps, Medicaid and other "in-kind" benefits have not been adjusted at the same time that social security and SSI payments have risen. More standardized eligibility limits, adjusted for increases in the cost of living, could help resolve this interaction problem.

The committee might also examine the automatic linkage between certain cash and "in-kind" benefits. Currently, an AFDC recipient is automatically eligible to receive Medicaid while his or her nextdoor neighbor, who is not a recipient but whose income is the same, may not be eligible for this "in-kind" benefit. The same linkage exists between the cash grant programs and food stamps. These arrangements clearly discriminate against those of the working poor who do not receive cash benefits. The automatic linkages could be eliminated by making all people at the same income level eligible for the same benefits, regardless of income source.

Streamlining the fragmented welfare system will not be an easy task, but it is a task that should not be put off. By developing a coherent policy framework within which the federal programs can operate and by helping to make these programs mesh more smoothly, we can lay the groundwork for a more integrated national income maintenance system. In doing so, moreover, we can deal in a tangible way with the very real problems that

confront Mr. H., Mrs. S., and millions like them.

THE COMMUNITY SALUTES CHARLES F. CRAWFORD

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mr. ANDERSON of California. Mr. Speaker, the winner of the combined San Pedro Lions Clubs' Annual Community Recognition Award must be a very special person. Mr. Charles F. Crawford, who will receive this honor on January 27, 1977, certainly qualifies under that description.

Born in Iowa in 1904, Charles Crawford moved to Tustin, Calif., at the age of 2. Married in 1924 to his lovely bride, Grace, he moved to San Pedro in October of 1936.

Charles Crawford—or Charlie, as he is known to his many friends in the Los Angeles Harbor area—worked for a time as a waterfront reporter for the Long Beach Press Telegram. On December 8, 1941, the day that the United States entered World War II, Charlie joined the staff of the Los Angeles Times. From his original position as a waterfront reporter, Mr. Crawford later became marine editor for that paper until his retirement in 1969.

During World War II, Charles Crawford took over Boy Scout Troop 207 at Leland Street School in San Pedro, and held all troop meetings in his home. In addition, during this period he served as official photographer for the Standard Shipbuilding Co., ran a weekly newspaper in Newport Beach, and tried to care for an orange ranch he owned in Tustin—quite a busy schedule for any man.

In early 1942 Charles Crawford became district chairman of camping activities for the Boy Scouts in the South Bay area. He and his son, Richard, were the first harbor area residents to receive the "Order of the Arrow," a national campaign group whose membership is open by invitation only. He demonstrated his considerable expertise in camping by taking a group of Boy Scouts for a week in the mountains that year, returning with three cracked ribs to prove it.

An avid outdoorsman and conservationist, Charlie joined the Izaak Walton League in 1950 and has been an active member ever since. He took part in the first fish plants in California's Salton Sea by helping the California Department of Fish and Game capture fish in the Gulf of California and transporting them to the desert salt lake. These efforts have resulted in a unique, inland saltwater sportfishing paradise located in the middle of a desert.

Charles Crawford's activities as a journalist, Scout leader, Parent-Teacher Association member, and conservationist alone would qualify him for an award from a grateful community. However, in 1957 he began a drive that resulted in a unique gift to his area.

After speaking to osteopathic doctors Crawford was told that it would be "im-

possible" to get the Hill-Burton Fund to give financial backing to a hospital in the South Bay area since San Pedro was campaigning for a new hospital at the same time. Drawing on his vast experience as a journalist, Charles began a 3-year publicity blitz in order to fill the need he saw in his community.

Thirty-one newspapers published his articles and photographs during that time, documenting the need for a new medical facility. Working up to 18 hours a day, Charles Crawford raised funds for the facility. Finally, as a result of his monumental efforts, Hill-Burton granted \$594,000 to establish the Bay Harbor Hospital. Besides the resources needed for property and furnishings, an additional \$350,000 still had to be raised—a task that Crawford worked on with typical gusto. Today, he still sits on the hospital's board of directors, heading up public relations for the facility.

Mr. Speaker, the South Bay and harbor areas seem to be the kind of community that fosters involvement and outstanding citizens. Charles Crawford is a perfect example. At the age of 72, he keeps up a pace that makes his retired status a joke among his many friends. National director of the Izaak Walton League of America, he donates his efforts and services to the Bay Harbor Hospital, the Boys' Club, the Retarded Children's Foundation—whose publicity campaigns he developed—and other local community activities too numerous to list here. In addition, he developed the harbor area hunter safety program with instructors from the Izaak Walton League, which has helped make hunting safer and more enjoyable for many. As a member of the national executive board of the Izaak Walton League of America, he is one of nine elected officials of the 60,000 member organization.

I can think of few people who deserve the combined San Pedro Lions Club Community Recognition Award as richly as does Charles F. Crawford, and I would like to take this opportunity to commend him for his many outstanding achievements and good deeds. His lovely wife, Grace, and their son, Richard, must be very proud of the honor he will soon receive.

CAPITULATION TO INTERNATIONAL TERRORISM

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mr. EILBERG. Mr. Speaker, today I sent the following telegram to the President of the United States:

DEAR MR. PRESIDENT: The release of Abu Daoud by the French Government was a cowardly capitulation to international terrorism.

The United States must make it clear through its statements and action that it condemns France's decision without any reservation.

Unless the free countries of the world make it clear to all terrorists that they will not give in to their demands nor retreat in the face of their threats these international

criminals will eventually control all of our actions.

For these reasons I ask that you recall our Ambassador to Paris as a sign of our total disagreement with action of the French Government.

PROHIBIT LAMEDUCK TRAVEL

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mr. MICHEL. Mr. Speaker, there can be no doubt that many citizens look upon the Congress with something less than admiration. A recent poll taken by Potomac Associates, shows that in a list of 18 public and private institutions, the "Federal Legislature" ranks 11th insofar as public confidence and trust are concerned. I hasten to add that even this ranking should give no comfort to us. Among Government officials generally we ranked 14th. We did just manage to edge out the CIA and labor unions for rock bottom but not by much.

Taxpayers are, quite bluntly, fed up with the pomp and circumstance and, quite often, nonsense, that passes for efficient government in Washington. They are particularly angry—and quite correctly in my view—over those little comforts and "perks" and psychic rewards with which we console ourselves from time to time. Among such, none appears to rankle more than the time-honored custom of defeated or retiring Congressmen traveling overseas at taxpayers expense after their defeat or retirement announcement.

While I have no doubt that these trips can be solemnly defended as being absolutely necessary to the safety of the Republic and that ingenious arguments can be constructed demonstrating that the fate of the Western World depends upon defeated Congressman Smith or Jones flying first class to Paris or Tokyo, the taxpayers are simply not listening to those arguments any longer. They want nothing less than lasting results for their hard-earned tax dollars. They most certainly do not see any lasting results emerging from lameduck overseas travels except perhaps to provide at great public expense, a store of happy memories for the defeated official.

I am, therefore, today reintroducing my bill to "prohibit travel at Government expense outside the United States by Members of Congress who have been defeated, or who have resigned or retired."

It is my hope that this bill will be looked upon by the Members not as a blanket condemnation of foreign travel on the part of Congressmen. I support the right and, indeed, the duty of Congressmen, at the proper time, traveling abroad at taxpayers expense for purposes relevant to public business. What I am attempting to do here is simply ratify what I believe is the consensus here and in the Nation. We have the duty to put our own House in order. Let us put an end to lameduck overseas journeys at taxpayers expense. It is sensible and desirable reform, long overdue.

The text of my bill follows:

H.R. —

A bill to prohibit travel at Government expense outside the United States by Members of Congress who have been defeated, or who have resigned, or retired

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, no part of any appropriation and no local currency owned by the United States shall be available for payment of any expenses, nor shall transportation be provided by the United States, in connection with travel outside the fifty States (including the District of Columbia) of the United States of—

(1) any Delegate, Resident Commissioner, or Member of either House of Congress after he has been defeated as a candidate for nomination, or election, to a seat in the House of Representatives or Senate of the United States in any primary or regular election until such time as he shall thereafter again become a Member of Congress; or

(2) any Delegate, Resident Commissioner, or Member of either House of Congress after the adjournment sine die of the last session of a Congress if he is not a candidate for reelection in the next Congress.

Sec. 2. The first section of this Act shall not apply with respect to any Delegate, Resident Commissioner, or Member of Congress where a concurrent resolution passed by Congress so exempts that individual, or, with respect to utilization of Federal funds provided by law for round trip travel of such Delegate or Resident Commissioner between the District of Columbia and the district which he represents.

AMERICANS SHOULD BE THANKFUL

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mr. McCLORY. Mr. Speaker, although the 94th Congress adjourned before last Thanksgiving Day, I wish to recall one meaningful Thanksgiving statement which appeared in the November 29, 1976, issue of U.S. News & World Report composed by Howard Fieger.

His Thanksgiving message is an appropriate reminder to all Americans which is applicable every day of the year.

Mr. Speaker, as we open this new Congress it would seem most appropriate to recall the strengths and virtues which characterize our great country—to give thanks for those—and to honor and respect the characteristics of our American system which have led us to our important position in the world today and upon which we must rely as we move forward toward even greater heights in the years ahead.

Mr. Speaker, Howard Fieger's editorial, "Thanks, Thanksgiving," follows:

THANKS, THANKSGIVING

(By Howard Fieger)

A friend complained the other day that, with the passage of time, it is more and more difficult for him to find anything about this country for which to be thankful.

The trouble with him, as with many others, is that he has stopped looking.

There is so much in this country to merit thanksgiving that some people can't see the forest for the trees.

The American economic system—basically free enterprise—has its faults, of course. But it still is the best and strongest in the world, all things considered.

Our profit-motivated way of doing things won out over the various forms of socialism long ago. It never was much of a contest. When it comes to efficiency in producing and distributing goods and services for people, there just is no comparison.

Things are available to Americans in an abundance and variety undreamed of in other parts of the world.

True, prices are high by past standards, but remember that personal incomes continue to keep ahead of the rate of inflation.

True, unemployment is a serious and unsolved problem, but don't forget there are more Americans with jobs than ever before.

There are more than ever, too, living in comfortable retirement; and more who are able to retire early if they choose.

Ability and talent are so commonplace in this country that most of us take them for granted. It didn't create much of a splash when Americans made a clean sweep of the Nobel Prizes this year. Still, it was the first time ever that one country won all the awards.

Poll after poll shows much criticism of U.S. capitalism, but only a vague understanding of how it really works.

Most Americans are capitalists—they are buying homes, investing in insurance or other savings, devoting time, energy and enterprise directly or indirectly to making a personal profit—though they don't think of themselves as capitalists, and they are suspicious of the profits of business.

Yet, profit is what makes the system work. And the system fills the wants and needs of people better than any other anywhere. Communism, for example, has been trying to catch up with the American standard of living for more than half a century, and it hasn't even come close.

Ask yourself this:

If the United States is such a bad bet for the future, why did foreigners invest nearly 27 billion dollars of their own money in American enterprises last year? That is three times more than they sent over here a decade ago.

Sometimes it takes the observations of visitors from abroad to remind people what an impressive place this is.

A European banker, for example, remarked to an American acquaintance the other day:

"American children are better brought up than the well-to-do in Europe. Here they learn to do things with their hands. They aren't ashamed to get them dirty taking cars apart, building a cabin in the woods or laying out a vegetable garden."

The wife of a foreign diplomat:

"Americans are so law-abiding. Driving to the airport at five in the morning recently I noticed cars stopped at red lights waiting for the signal to change even though there was no cross traffic. At home, we'd never do that with no cars coming."

And from another visitor:

"You people are so friendly, ready to smile and help. There aren't many places around the world where this is true."

Such remarks deserve the attention of those who despair of Thanksgiving. They explain why so many Americans return from a thoroughly enjoyed trip abroad, recount their travels with enthusiasm, they say:

"It's good to be back home."

BIRTHDAY OF DR. MARTIN LUTHER KING

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mr. GILMAN. Mr. Speaker, I welcome this opportunity for commemorating the

birthday of Dr. Martin Luther King, a man whose courage and conviction remain with us today, even 9 years after his untimely and tragic death in April of 1968.

Dr. King is a national hero in no commonsense of the word. While the concept of a hero as the man of bravery and valor has been with Americans since the conception of our Nation hundreds of years ago, there is a distinct difference between the traditional American hero and Dr. King. Americans have had to use force throughout their history, and oftentimes bravery has been equated with some form of violence. And those who were considered heroic have been those who were best equipped to kill—the pioneers who struggled against the rugged elements of the frontiers, and who managed to overcome threats posed by Indians, natural disasters, and the wilderness. Our soldiers have been held up as paradigms of bravery for all Americans; their battlefield sacrifices having been lauded and recorded throughout our history.

Dr. King is a hero in the true sense, but his heroism is of a distinct and different kind. Martin Luther King struggled against all of the violent instincts of man. He lived his life with the knowledge and certainty that nonviolence is a superior force, that nonviolence in all aspects of one's life insures a humanity which transcends the ordinary man and which summons up our finest qualities. Dr. King, in all that he sought and accomplished, maintained, as did Ghandi and the American, Henry David Thoreau, before him, that passivity and pacifism are not to be equated with cowardice and ineffectiveness, but rather, that these qualities are to be developed and utilized with the knowledge that nonviolence is far stronger and far more human than brutality and unrestricted force.

For his beliefs, Dr. King was jailed and he was ridiculed for the concern and compassion that made him a leader not only of black people, but of all Americans on the long road to equality. His dreams and ambitions parallel the American dream, and indeed, have become part of the American dream: That all men and women, regardless of color or creed, regardless of sex or economic background, have the privilege and right to aspire to all that America is capable of giving: spiritually, humanistically, and materially.

Dr. King is not only an American hero, he is an American martyr who gave his life so that others might benefit from his

beliefs and actions. Our gratitude to our Nation's heroes is great, but our debt to our martyrs is far greater. Martin Luther King reawakened in all Americans the compassion for the less fortunate, the downtrodden, for those to whom life proved, not a blessing, but a burden. Our debt to him demands more than a simple reawakening, but a firm, staunch course of action, complemented by a spirituality which has for too long a period been secondary.

If Dr. King were still alive today, I believe he would remind, in his gentle, nonviolent, and magnetic way, that we, the Members of the 95th Congress, rededicate ourselves to the basic tenets of the Bill of Rights, to the sentiments set forth so eloquently in the Declaration of Independence. He would prod the legislators of this Nation to be constantly aware of the children who go to bed each night cold and hungry, of the thousands of old Americans who waste away in neglect, of the millions of the poor and jobless who view life with a sense of despondency and hopelessness. And he would pray that we would act in their behalf to provide all of our people with the opportunities which belong to all Americans.

I urge my colleagues to join with me in offering our respects and tributes to Dr. Martin Luther King on this anniversary of his birth.

TAX CREDIT FOR TENANTS

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 13, 1977

Mr. FISHER. Mr. Speaker, today I am reintroducing a bill I offered during the last session to provide a tax credit for renters, who under current law are not permitted to deduct on their Federal income tax the amount of local real estate taxes they pay as part of their rent.

My bill would provide a credit against Federal income tax of 5 percent of annual rent, up to \$75 for a married couple filing jointly—\$37.50 each if they file separately—and \$50 for single taxpayers. This would apply to persons who rent their principal residence for 8 months out of any year under a genuine rental agreement.

A large and growing segment of our population rents its residence. In 1970, 37 percent of all Americans rented their residences, 42 percent in the Northeast.

In Arlington County in my district more than 65 percent of all occupied residential units are rental dwellings.

Under present law a homeowner may deduct on his Federal income tax the amount of real estate taxes paid to his county or city of residence. No such tax deduction is available to the renter even though the taxes are paid as a part of the monthly rent check. My bill seeks to correct this inequity.

The way it would operate is simple. Once the total amount of Federal income tax has been computed, the amount owed would be reduced by up to \$75 for a married couple who file jointly or \$50 for a single taxpayer—\$37.50 for married taxpayers filing separately—providing a direct savings to the renter. The proposal is intended to be simple and understandable to insure its wide use. It does not require the calculation of actual real estate taxes paid as a part of the rent but establishes a uniform dollar figure and gives the taxpayer a direct credit. A plan similar in form is now in effect in the State of California. The use of the device of a tax credit rather than the more customary tax deduction insures that those renters who take the standard deduction on their Federal tax returns rather than itemizing their deductions will still benefit under my bill. For example, a renter earning \$15,000 per year and filing as a single taxpayer would remain eligible for the full \$2,400 standard deduction and would be eligible for the \$50 tax credit as well. This combination of tax credit and standard deduction is an effort to place renters in roughly the same position as homeowners under our Federal tax laws. The use of a tax credit rather than a tax deduction has the further advantage of providing a larger relative tax benefit to lower income families and individuals.

I recognize the fact that this proposal is a major change in Federal tax laws which have historically put renters at a disadvantage. A measure of the impact of this change is that the staff of the Joint Committee on Internal Revenue Taxation estimates the revenue loss from my proposal to be \$1.7 billion. With increasing numbers of Americans choosing the efficiency and relative convenience of apartment living I believe we must reexamine the policies of our tax laws. I hope my bill will serve as a basis for that reexamination.

I shall make every effort to urge the Ways and Means Committee, on which I serve, to begin deliberations as soon as possible.

SENATE—Friday, January 14, 1977

The Senate met at 12 o'clock meridian and was called to order by Hon. DENNIS DECONCINI, a Senator from the State of Arizona.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, whose glory is revealed in the Earth, the sky, the sea, and in the works of man, we praise Thee for Thy

goodness to us and to the Nation we serve. In these days of transition help us with discretion to forget some things and with appreciation to remember other things. Give us grace to shed the destructive debris of the past and to grasp the affirmations which give strength for the future. Grant us grace to forget some failures, some mistakes, some moments of bad judgment or unwise decision. Help us to remember the wise action, the sound judgment, the hour of selfless service, the generous deed and the kindly

act. Spare us from harboring memories of what cannot be corrected but help us to remember the things rightly done. Keep us from lugging into the future any lingering resentment, unforgiven hostility, or chronic ill will. As Thou dost forgive, help us to be forgiving. Endow us with the strength, the wisdom, and the grace which comes from above, that we may reflect that faith, hope, and charity which endures forever.

We pray in the Redeemer's name. Amen.