

EXTENSIONS OF REMARKS

SUPPLEMENTAL COMMUNITY DEVELOPMENT EMPLOYMENT ASSISTANCE ACT OF 1976

HON. ROBERT P. GRIFFIN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Wednesday, March 3, 1976

Mr. GRIFFIN. Mr. President, yesterday I appeared before the Senate Committee on Banking, Housing and Urban Affairs to support S. 2986, legislation which I introduced on February 17, 1976, to provide supplemental community development assistance to communities and areas especially hard hit by high unemployment.

I ask unanimous consent that the text of my testimony on S. 2986 be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

SUPPLEMENTAL COMMUNITY DEVELOPMENT EMPLOYMENT ASSISTANCE ACT OF 1976

(By Senator ROBERT P. GRIFFIN)

Mr. Chairman and members of the Committee: I appreciate the opportunity to testify this afternoon in support of S. 2986, the proposed Supplemental Community Development Employment Assistance Act of 1976.

As you know, Congressman Garry Brown, who is the ranking Minority Member of the Housing and Community Development Subcommittee of the House Banking, Currency and Housing Committee, has introduced an identical measure—H.R. 11860—in the House of Representatives.

Your prompt action in scheduling these hearings is encouraging and we hope that it will lead to speedy passage of a jobs bill that is acceptable to Congress and the President.

The legislation Congressman Brown and I have introduced would channel nearly \$800 million in job-creating funds during the next year to cities and States suffering from unemployment rates in excess of 8 percent. We believe this proposal provides a more direct and efficient method of targeting assistance to those communities hardest hit by high unemployment than H.R. 5247, the public works bill vetoed by President Ford.

And—to correct any misunderstanding about what our bill would or would not do—cities could use at least 25 percent of the funds they receive for maintaining public services, such as police and fire protection.

Last summer, when Congress was considering the public works bill, we were at the depths of a nationwide recession. In May, the unemployment rate peaked at nearly 9 percent. And virtually all the other leading economic indicators showed the economy at rock bottom.

Furthermore, because the recession decreased tax revenues and increased costs for public service, State and local governments experienced total, combined operating deficits through much of 1974 and the first half of 1975.

Today—with the unemployment rate more than a full percentage point below its 1975 high—the need for a massive infusion of Federal funds to stimulate the economy is not as great. Indeed, the \$6 billion program contemplated under H.R. 5247 could be harmful to economic recovery by creating new inflationary pressures.

Obviously, the economic picture is still far from ideal. Many communities—in Michigan

and elsewhere—continue to suffer from excessively high unemployment rates.

But, instead of setting up a sweeping new program that could take months and perhaps years to successfully implement, S. 2986 would channel additional funds under the existing Community Development Program in HUD to those areas most in need. It would provide prompt emergency relief to local governments which are having a particularly hard time recovering from the recession.

Briefly, I will highlight a few of the more significant features of this measure.

First, by automatically increasing or decreasing assistance as unemployment rates change and by focusing funds on projects that create more permanent jobs in the private sector, our proposal combines the best features of countercyclical and public works aid.

Second, by making assistance available only when the national unemployment rate exceeds 7 percent and only to communities with unemployment rates above 8 percent, the bill ensures that a modest amount of funds can have a large impact. Quite simply, this means that assistance will be limited to those areas with the worst unemployment—in excess of the current national unemployment rate.

Third, by funneling aid through the Community Development Block Grant program, cities and counties will have wide latitude in setting local job-creating priorities—without the need for Federal approval of each project.

While attacking unemployment, this program also strikes at the root causes of urban decay. Assistance can be used for economic development initiatives to attract and keep industry, to stabilize and preserve declining neighborhoods, and to rehabilitate housing for low and moderate income persons.

For those cities staggering under severe fiscal burdens, our bill grants them discretion to use a portion of the funds they receive for continuing essential services. As I have already indicated, at least 25 percent can be used for such purposes, including public service jobs. And the Secretary may allow additional amounts to be spent in this manner.

Fourth, by avoiding the creation of a new bureaucracy at the Federal or local level, start-up time and administrative costs will be greatly reduced. And, because the HUD block-grant program already requires 3-year advance planning by communities, delays in getting projects underway will be further minimized.

While funds were not spent as rapidly as possible at the outset of the community development program, it is my understanding that communities are now drawing down on their allotted funds at an accelerating rate. Such delays are certainly understandable during the initial stages of any new program. But they only underscore the importance of using an existing program to create more jobs now—rather than starting up a new bureaucracy from scratch.

Furthermore, under S. 2986, existing administrative requirements for the block-grant program are further streamlined through a simplified application process. The Secretary also would be empowered to waive other requirements of the 1974 Act which will "adversely affect the efficiency or impact of the funds provided. . . ." Thus, the risk of delays and bottlenecks is largely avoided under the proposed legislation.

The result is that funds will be available immediately for the creation of jobs for the unemployed. It is estimated that at a first-year cost of \$780 million, about 33,000 new jobs will be created during the first quarter beginning April 1 under our bill—and another 25,000 jobs during the next 6 months.

That compares quite favorably to the projected 28,000 new jobs that would be created under the vetoed public works bill.

Since passage of the Housing and Community Development Act of 1974, the block-grant program has received enthusiastic support from the nation's mayors and other local public officials. For example, last year, the Conference of Mayors adopted a resolution commending HUD—

"For its good faith and prompt efforts to implement the program within the spirit and intent of the law, for minimum red tape and delays in processing, and for local flexibility in designing program approaches to perceived community needs. . . ."

At the same time, the Conference endorsed full funding of the amounts authorized and also asked Congress and the President to begin work immediately on legislation to increase the authorization for community development. As you know, the Administration has requested full funding for this program in its FY 1977 budget and the legislation under consideration here today responds to the need for a boost in the authorization levels.

Mr. Chairman, the unemployment problems facing our nation's cities and communities are immediate problems demanding solutions that will provide immediate relief. For the reasons previously outlined, we believe our alternative jobs bill offers the best approach for meeting these needs in the shortest possible time.

We realize that the bill may not be perfect. But we are open to suggestions and we hope that it will continue to receive prompt consideration by this Committee and the Congress.

ELECTION CAMPAIGNS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. HAMILTON. Mr. Speaker, political campaigns make me think of the Lamentations of Jeremiah, one of the least known books of the Old Testament. Throughout that book, in which Jeremiah writes of his sorrow and lament over the fall of Jerusalem and the destruction of the Temple, there is a sense of sorrow over what has taken place and, finally, hope that the people will profit from their experience.

Each election year, I begin to feel distressed, if not sorrowful, by the quality of discussion of public issues in the election campaign, and that feeling intensifies as the campaign progresses.

The thought is conveyed by many candidates that with a little tinkering and manipulation with this proposal or that, so glibly and smoothly explained from the political stump, our problems will be resolved. Somewhere in all the campaign rhetoric, these candidates do not tell us that the simple problems have long since been solved, and that nobody really has a total solution to the large number of appallingly complex problems on the national agenda, and that the burden may get heavier, rather than lighter.

To acknowledge that these problems are not going to be easily solved may make us less optimistic but more honest.

No one really expects campaign rhetoric to be a model of intellectual precision, but even making allowances, it just seems to me that we could do a whole lot better in presenting the issues in a fair, clear and orderly way.

My ideal candidate would spend less time focusing attention on the lack of moral qualifications of his opponent and more time explaining the hard choices that lie ahead. Some of these choices are suggested by thoughts like these:

First. Our relationship to our environment is changing and we have the ability to seriously damage, or even destroy, the planet we depend on for life. As Russell Train, the Administrator of the Environmental Protection Agency, has told us, we cannot continue indefinitely to pour thousands of chemicals into our own air, water, and soil with little understanding of what is happening. We all know there is a limit to growth and consumption, and we had better begin to think about the finiteness of the Earth. There are 4 billion people on Earth today and there will be 8 billion in 35 years. We add 200,000 new human beings every day to compete with us for the Earth's limited resources. In a finite world, we cannot, for example, continue to double our water consumption every 25 years, convert 2,000 acres of rural lands to urban uses every day, and consume 40,000 tons of materials per person per year.

Second. We can be proud of the achievements of our economy, but we must not think that some resident genius in Washington, or anywhere else, has figured out a way to have growth in the economy, with full employment and price stability, all at the same time.

The cost of dealing with these and other problems will be very large. Too many candidates just do not tell us what the costs are going to be for their solutions. They try to seduce us into thinking that there will be gain without sacrifice. I am inclined to think that these pitches are sophistry, and we should not let them evade answering our questions about how much it will cost us.

I am not suggesting that candidates go about the country with incessant rhetoric about how overwhelming our problems are, but I do want them to avoid playing on the fears and frustrations of the people and to concentrate on how to resolve the problems that create those fears and frustrations.

Other things bother me about election campaigns, too. There is a good deal of vituperation on false issues—such as who would wreck the social security system—and many real issues simply go undiscussed. Inaccuracies and exaggerations abound, and evasiveness is honed to a fine art.

But like Jeremiah's lamentations, I hope people are profiting from our recent campaign experiences. They really should not tolerate any longer the campaigning style of recent elections. They ought to demand that the issues of the campaign be discussed by candidates in a fair, clear, and orderly manner. Why cannot we have, not face-to-face debates, but separate and orderly discussions of the real issues, perhaps by having the candidates discuss an issue a

week during the campaign, so that comparisons and judgments can be made? After all, at election time the American people are asked to make fundamental decisions about the direction of American life. So election campaigns should be serious occasions for a searching discussion of national policy. They should not be characterized by sloganeering and shrill assertions of unsupported propositions.

I hope—as a matter of fact, I believe—that the American people are beginning to see that we can conduct these elections in a better way. Already I feel that they are beginning to demand a high-level campaign in which the issues are discussed fairly and systematically. If I am right, it is the best news the Republic has had in a long time.

A GREAT AMERICAN AWARD

HON. HERMAN E. TALMADGE

OF GEORGIA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 3, 1976

Mr. TALMADGE. Mr. President, each year, Dixie Business magazine, published by Hubert Lee in Decatur, Ga., selects an outstanding person for its "A Great American" award.

I am very pleased that Dr. Billy Graham, certainly one of the world's most outstanding religious leaders of all time has been cited by the magazine for the "A Great American" award for 1975.

Mr. Hubert Lee, editor of Dixie Business magazine, wrote an article on this award to Dr. Graham and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DR. BILLY GRAHAM: "A GREAT AMERICAN" FOR 1975

(By Hubert F. Lee)

Dr. Billy Graham has been named the "A Great American" for 1975 by the editors of Dixie Business.

Billy Graham was converted in September 1934 at a revival in Charlotte.

He surrendered to the call to preach in March 1938 while attending the Florida Bible Institute.

Tears streamed down his face as he fell on his knees, saying:

"Oh God, if you want me to preach I will do it."

Billy recalls his Tampa preaching: "I had one passion and that was to win souls. I did not have a passion to be a great preacher. I had a passion to win souls."

Twelve men came down when he gave his first altar call in Venice, Fla.

He told Penzi Pennington, his song leader, on the way back:

"Penzi, I have learned my greatest lesson. It is not by power or might or any great sermon, it is wholly and completely the work of the Holy Spirit."

And because he gives the altar call every time he preaches, in Crusades over the world, the editors of Dixie Business have named him the "A Great American for 1975."

He is the 21st "A Great American."

Past Great Americans include:
Dr. Charles F. Kettering..... 1955
Cecil B. DeMille..... 1956

Helen Keller.....	1957
Tom D. Spies, M.D.....	1958
Sen. Lister Hill.....	1959
Oveta Culp Hobby.....	1960
R. Manton Wilson, M.D.....	1961
Sen. John H. Glenn, Jr.....	1962
Bernard M. Baruch.....	1963
Rep. Carl Vinson.....	1964
American Fighting Men.....	1965
E. K. Gaylord.....	1966
Donald Douglas, Sr.....	1967
Eddie Rickenbacker.....	1968
J. C. Penney.....	1969
Walter R. McDonald.....	1970
W. O. DuVall.....	1971
DeWitt and Lila Acheson Wallace.....	1972
Sen. Herman and Betty Talmadge.....	1973
Robert W. Woodruff.....	1974
Dr. Billy Graham.....	1975

Billy Graham has preached the gospel to more millions than any other man in history.

He is the third to be named both "Man of the South" and "A Great American."

The others were R. Manton Wilson, who founded the R. M. Wilson Leprosy Colony in Korea, and Bernard M. Baruch.

Billy Graham was nominated by William H. Barnhardt, the "Man of the South" for 1973.

Mr. Barnhardt presented Billy Graham the 29th "Man of the South" Award on May 20, 1975 at Freedom Park during the Bicentennial of the Mecklenburg Celebration in Charlotte where 105,000 people had come to hear Billy Graham and President Gerald Ford.

In presenting the award May 20, 1975 Mr. Barnhardt said:

"Each year for the past 29 years Dixie Business magazine, which is published in Atlanta, Ga. by Colonel Hubert F. Lee, has conducted a poll among their readers to vote for their choice for the "Man of the South."

"Now this is a business magazine and you may say:

"Why would a business magazine choose Billy Graham as the "Man of the South" for 1974?"

"Well, the answer is obvious.

"Religion is the greatest business in the South and in the world," and not only is it the greatest business . . . it is the most important business . . . and I think it is most appropriate that this honor is presented to our native son on this occasion who . . . and his team . . . have carried the gospel to the far corners of the earth and we are grateful to Almighty God for his team and for Billy Graham.

"And, Billy will you come forward, please.

"On behalf of the people of the South, we are honored to show you that a Prophet is With Honor in his own country.

"We love you, and God Bless You.

Applause.

Evangelist Billy Graham was voted the "Greatest Living American" by 51 contestants at the National Teenager Pageant held in Atlanta recently.

On December 28, 1967 he was presented the WSB "Great American" award in Atlanta, sponsored by WSB and Atlanta Federal Savings & Loan Association, then headed by W. O. DuVall, the "Great American" for 1971.

The National Conference of Christians and Jews in 1967 gave Billy Graham its Silver Medallion and in 1966 he received the Horatio Alger Award.

W. Graham Clayton, Jr., president of Southern Railroad System, wrote:

" . . . Your interesting report on Bob Woodruff (former director of Southern) . . .

"This is a fine and well deserved tribute, and I concur, also with your nomination of Dr. Graham. . . ."

T. W. WILSON

If Jesus were picking apostles today, I think he would pick such a man as T. W. Wilson, praying partner of Billy Graham and a member of his team from the begin-

ning. What a team for 40-years, Billy Graham, Grady and T. W. Wilson, of Charlotte.

I would like to share a letter from Rev. T. W. Wilson:

"My first choice," the Rev. Billy Graham . . .

Because he is a great humanitarian, helping people in starving and remote parts of the world, spiritually and physically.

Two, he is a great American. A number of lawmakers in our country have considered him to be one of the greatest ambassadors for the United States that we have in the world.

He has been with kings and queens, prime ministers, people of royalty, actresses, actors, corporation presidents, etc.

His telecasts which come about 4 times a year are very much in demand by young and old alike.

He is dedicated. He speaks at crusades . . . civic gatherings, military installations, universities and tries to help people, regardless of race, creed or color.

Fifthly, he is not desirous of any honor. I believe that electing a man of Dr. Billy Graham's stature is a well deserved honor for him and a tribute to your great program.

Dr. J. Davison Phillips, pastor of Decatur Presbyterian Church 1954, the year I was ordained an Elder at Glen Haven Presbyterian Church, said "It is an excellent idea naming Billy Graham "A Great American" for 1975.

Dr. Phillips on January 1 succeeds Dr. C. Benton Kline as president of Columbia Theological Seminary, as announced by J. Erskine Love, Jr.

Dr. Phillips, a great servant of God, said of his new opportunity: "I think we ought to dream some great dreams here and bring some great visions into being, not for our own sake, but for Jesus' sake."

Dr. James P. Wesberry, the "Man of the South" for 1972, said we could not honor a man more worthy.

Dr. Wesberry is now executive director of the Lord's Day Alliance and editor of the magazine Sunday.

He is also serving a interim pastor of Smoke Rise Baptist Church, Tucker, Ga.

The Everyday Counselor, by Bishop Herbert Spaugh in The Charlotte News, paid tribute to Billy Graham last year. Here are paragraphs:

"This year, 1974, marks the 25th anniversary of the most outstanding and far reaching evangelistic campaign to be undertaken since that of the apostles sent out by Jesus.

It all commenced in an all-day prayer meeting held in May 1934 during the depression on the farm of W. Frank Graham, father of the distinguished evangelist.

My information is based on the recollections of Vernon W. Patterson of Charlotte who was present at the meeting.

The late T. W. Wilson, father of two of the associate evangelists, T. W. and Grady Wilson, likewise rehearsed these events to me. I heard Dr. Graham refer to this prayer service at the funeral of T. W. Wilson, Sr.

The actual spot was in a grove of pine trees across Park Rd. just opposite the Frank Graham brick home still standing and occupied by Mrs. Frank Graham.

Vernon Patterson said Frank Graham often told him his recollection of this prayer meeting in the pines. "He said that somebody (he believed I was the one) prayed that God would raise up somebody to preach the gospel around the world.

"That afternoon after 3:00, Billy came home from school and began pitching hay in the barn across the road where we were meeting. The man Billy was working with said, "Who are those men over there in the woods?"

Billy answered, "Probably some fanatics who talked Dad into letting them use the place."

As Frank put it here we were praying for someone to preach the gospel around the world and the one of God's choice was there on the farm and didn't know it.

Dr. Herbert Spaugh was pictured on our Summer 1975 issue when Dr. Graham received the 28th "Man of the South" award May 20, 1975 by William H. Barnhardt, as 105,000 people looked on.

FUNDS FOR NATIONAL INSTITUTE OF EDUCATION

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. SOLARZ. Mr. Speaker, in the near future the House will be considering a bill authorizing funds for the National Institute of Education. When that legislation reaches the floor, I intend to offer an amendment which would require the Institute to prepare materials for primary and secondary schools which detail the consequences of racial, religious and ethnic bigotry. In particular, my amendment would mandate the dissemination to local schools, by the Institute, of materials which document and explain all aspects of the destruction of the European Jewish community by Nazi Germany prior to and during World War II, the slaughter of the Armenians by the Turkish Government during World War I, the brutal enslavement of black Africans by white Europeans and the ruthless expulsion of the Indians from their lands by European settlers.

My motivation for introducing this amendment is the recent history of intergroup confrontations in our country's schools and the continuing failure of standard history and social studies textbooks to adequately cover the darker periods in the history of not only our country but of the world. Recent events in cities and classrooms across the country, where students have proudly proclaimed their prejudices, give dramatic justification to my concerns. While the forces which caused the racism exhibited by these young people reach far beyond the classroom, it is my belief that the sensitive teaching of the potential consequences of their hatred would tend to prevent the crass expressions of bigotry we have been forced to witness.

The events of this century have proven that those who do not learn from history are destined to repeat it. Unfortunately, the private textbook publishers have not learned this lesson and have been derelict in their duty to present to our young people the full history of mankind. According to a 1970 study done by the Anti-Defamation League of the B'nai B'rith, the standard textbooks used in our schools "flagrantly neglect the story of the holocaust" and only a few of the texts give a "realistic or comprehensive" discussion of the horrors of slavery. My amendment would fill this educational gap by providing our schools with important materials which the textbooks have omitted.

Finally, it is important to note that

the amendment will not require the teaching of any subject in our schools, for such a requirement would be an unwarranted Federal intrusion into State and local affairs. My proposal would merely provide to local schools an inexpensive and convenient way of supplementing their curriculum by providing them with education materials on man's inhumanity to man.

BRIEFING ON UNEMPLOYMENT COMPENSATION

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. MITCHELL of Maryland. Mr. Speaker, I would like to insert into the CONGRESSIONAL RECORD a briefing on unemployment compensation, prepared by the staff of the Congressional Budget Office and presented to the Human Resources Task Force of the House Budget Committee on February 19, 1976.

I commend it to my colleagues for their review:

BRIEFING ON UNEMPLOYMENT COMPENSATION BY THE STAFF OF THE CONGRESSIONAL BUDGET OFFICE, PRESENTED FEBRUARY 19, 1976

(NOTE.—Figures 1, 2, 4, 5 not reproduced in the RECORD.)

I. THE BASIC UNEMPLOYMENT COMPENSATION SYSTEM

In the early seventies, the unemployment compensation system was a fairly straightforward combination of state and federal payroll tax funding providing for a permanent benefit program and a triggered extended benefits program. This system is illustrated in Figure 1.

(In the government accounts the individual state trust funds and the federal accounts are combined in what is called the Unemployment Trust Fund.)

II. THE CURRENT UNEMPLOYMENT COMPENSATION SYSTEM

In reaction to recent high unemployment rates, Congress has passed a variety of temporary unemployment compensation programs. While benefit payments have soared, payroll taxes have risen only slightly, and advances from general revenues and outright general federal funding have become major features of the unemployment compensation system. The resulting system is quite complex, and is displayed in Figure 2. The amounts of the various flows in billions of dollars is also shown.

Figure 3 describes the characteristics of the various programs displayed on the right-hand side of Figure 2.

III. STATUS OF TRUST FUND RESERVES

The high level of benefits being paid out under the various programs has drained the Unemployment Trust Fund of its reserves. If system revenues and benefit payments continue along their current courses, in a few years the Unemployment Trust Fund will be deeply in the red. Under CBO Path B economic assumptions, CBO projects that by the end of 1981, the Unemployment Trust Fund will have required \$34 billion in cumulative repayable advances from general revenues. (Path B assumes that by 1981 the unemployment rate will have dropped to 5.9%.)

Figure 4 depicts this deterioration in trust fund balances, assuming that the Federal

Supplemental Benefits program (FSB) will expire and that payroll tax rates will remain at current levels. (SUA is not financed via the trust funds.)

Because the state trust funds are the mainstay of the unemployment insurance system, a more detailed look at these funds is warranted. As of January 1976, 18 states plus the District of Columbia and Puerto Rico have required advances from federal accounts (which in turn required advances from general federal revenues). These outstanding advances totalled approximately \$2 billion. Table 1 provides exact breakdown by state.

By the end of calendar 1976 it is estimated that as many as thirty states will require loans.

IV. ALTERNATIVE TIME PATHS FOR UNEMPLOYMENT COMPENSATION OUTLAYS AND REVENUES

Having described the unemployment compensation system's current financial troubles, we can now look at the effects of various strategies in the future.

Figure 5 shows outlays and payroll tax receipts under various assumptions. H.R. 10210 is a bill that has been reported out of the Ways and Means Committee—two of its

major provisions are the inclusion of most SUA recipients (state and local government employees and agricultural and domestic workers) in the regular program and a modification of the trigger for the extended benefits program.

Two important conclusions can be derived from Figure 5.

The first is that regardless of whether one continues SUA and FSB or lets them expire, or adopts the benefit provisions of H.R. 10210, program costs will still exceed payroll tax receipts under current law for the next five years. The specific amounts of these shortfalls are displayed in Table 2.

The second point illustrated in Figure 5 is that sizeable increases in both the federal tax rate and the taxable wage base (which affects both federal and state revenues) such as those contained in H.R. 10210, will close the gap between payroll tax receipts and program costs. This is also presented in further detail in Table 2.

V. MACROECONOMIC EFFECTS OF ALTERNATIVE FINANCING STRATEGIES

If the unemployment compensation system is to be restored to its former self-financing state, then increases in payroll taxes and/or tax rates such as those contained in H.R. 10210 will be required in the long run. However, in the next few years, other methods, such as financing through federal debt, are also available to relieve the short-run difficulties of the fund. Because the economy is now in a stage of cautious recovery, these short-run financing alternatives might be examined for their effects on unemployment, inflation, and growth in real GNP.

However, while five billion dollars or so may be a large amount in terms of a single program, it is not a large amount in terms of overall macroeconomic policies. In general, the resulting effects of alternative financing measures on unemployment and growth of real GNP are quite small.

The one possible exception is that payroll taxes have noticeable effects on inflation. CBO calculates that the payroll tax increases proposed in H.R. 10210 will result in an increase in the inflation rate of one-tenth of one percent in both 1977 and 1978. This amount should be weighed against desires to achieve early restoration of balance in the fund.

FIGURE 3.—CHARACTERISTICS OF UNEMPLOYMENT COMPENSATION PROGRAMS

Program	Comments	Maximum duration of benefits ¹ (weeks)	Benefit costs fiscal year 1976 (estimate billions)	Program expiration date	Is program triggered on by unemployment rates?	Recipients, calendar year 1975 (millions)
Regular benefits		26	\$13.9	Permanent	No	12.2
Extended benefits (EB)	Available to workers who have exhausted regular benefits.	13	2.8	Permanent	Yes	4.3
Federal supplemental benefits (FSB)	Available to workers who have exhausted extended benefits.	26	1.8	March 1977	Yes	2.1
Special unemployment assistance (SUA)	Available to workers in industries not covered by regular UC program, but who could otherwise be eligible for benefits. Predominantly State and local government employees, agricultural and domestic workers.	39	1.3	March 1977	Yes	1.2

¹ All workers not necessarily eligible for maximum duration.

TABLE 1.—Total balances in State Trust Funds

Year end reserves	Year end reserves
1969	12.6
1970	11.9
1971	9.7
1972	9.4
1973	10.9
1974	10.6
September 1975	14.6

¹ May be somewhat overstated due to possible inclusion of some advances to State trust funds.

Outstanding advances to State trust funds as of January 1976

State	Outstanding advances to State trust funds as of January 1976 [In millions]
Alabama	18.0
Arkansas	8.0
Connecticut	276.2
Delaware	6.5
District of Columbia	12.6
Hawaii	2.0
Illinois	146.8

Maine	3.4
Massachusetts	180.0
Michigan	388.0
Minnesota	73.0
Nevada	3.0
New Jersey	404.3
Pennsylvania	234.2
Puerto Rico	44.0
Rhode Island	49.8
Vermont	30.4
Washington	107.6
Total outstanding advances	1,988.0

TABLE 2.—PROJECTED COSTS AND REVENUES FOR UNEMPLOYMENT COMPENSATION (UNDER VARIOUS ASSUMPTIONS)

	1975	1976	TQ	1977	1978	1979	1980	1981
1st years under all plans:								
Taxes	7.37	8.20	2.23					
Outlays	13.96	19.76	4.74					
Difference	-6.6	-11.6	-2.5					
Present financing, FSB and SUA continuing:								
Taxes				10.35	11.24	11.35	11.67	12.37
Outlays				19.34	19.45	18.92	17.57	15.94
Difference				-9.0	-8.2	-7.6	-5.9	-3.6
Present financing, SUA continuing, FSB expiring:								
Taxes				10.35	11.24	11.35	11.67	12.37
Outlays				18.24	17.75	17.32	16.77	15.94
Difference				-7.9	-6.5	-6.0	-5.1	-3.6
Present financing, H.R. 10210 benefit levels:								
Taxes				10.35	11.24	11.35	11.67	12.37
Outlays				18.54	17.97	17.60	18.14	17.50
Difference				-8.2	-6.7	-6.3	-6.5	-5.1
H.R. 10210 (assuming 2.7 percent average State payroll tax rate):								
Taxes				13.72	17.35	17.82	18.90	20.11
Outlays				18.54	17.97	17.60	18.14	17.50
Difference				-4.8	-0.6	-0.2	-0.8	-2.6

ELEMENTARY JUSTICE FOR
VETERANS

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. ZEFERETTI. Mr. Speaker, the post-Korean or Vietnam-era GI bill will expire at the end of May for veterans who were discharged more than 10 years ago. I believe that the present expiration date for these benefits is essentially unfair to many of these veterans, especially because it applies to those who have never received the higher pay and benefits now available to those volunteers who join the services.

Many of the veterans who will be cut off from applying for and receiving the educational and related benefits after the end of May were drafted into the service at significant personal inconvenience. They were simply yanked out of their accustomed civilian pursuits and required to serve a specified period of time. I find it difficult to understand how the Government, in all fairness, can cut them off in this manner and at this juncture. I therefore support and have joined in sponsorship of a measure to repeal the 10-year limitation without qualification for veterans' education benefits.

It is well for us to bear in mind that when these men and women were taken into the armed forces of this country, they were promised these schooling benefits. Almost all of them, mindful of the benefits which the Government made available to veterans of World War II, accepted these promises at face value. The Government also was anything but shy in demanding their services in a time of national need. Therefore, it is utterly incomprehensible to me how the Government, now, simply because of a technicality in the bill, can seek to terminate such educational assistance and break that promise.

Study after study has shown that the taxpayers of the Nation are amply rewarded by GI bill programs. One study indicates that the Government received in increased income tax revenues from those who qualified for the GI bill six times the amount it spent educating our World War II veterans.

The principle is well established. After any such military service is performed, the American people seek to make up in the form of such benefits some of the sacrifices those who served made on behalf of all of us. It is a matter of simple justice. They deserve a chance. In light of the economic situation today, these educational benefits are often the only way in which they may acquire specialized skills without which they cannot earn decent livings. It is a total shame if we deny them such an opportunity. I therefore urge that this measure to extend the 10-year time limit of veterans' educational benefits be enacted without delay.

EXTENSIONS OF REMARKS

BRADDOCK BICENTENNIAL

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. GAYDOS. Mr. Speaker, it is with great pride and pleasure that I report on one of the recent activities of the Braddock Bicentennial Committee in my district. February 21 and 22, 1976 were designated as Braddock Bicentennial Weekend in celebration of George Washington's birthday, the 200th birthday of our country, and the bicentennial commemoration of the Battle of Braddock's Field. "The Frontier Folks of Braddock's Field" planned gala festivities which included a dedication ceremony, color guard exhibition, invocation, and dinner dance.

This and other American Revolution Bicentennial celebrations like it are heartfelt tributes to our heritage and to the American spirit of freedom and independence. The historic events at Braddock, Pa.—particularly the Battle of Braddock's Field on July 9, 1755—altered the destiny of the New World.

The military encounter at Braddock's Field in 1755, also known as Braddock's Defeat or the opening battle of the French and Indian War, is the place where Washington's rise to eminence as a military hero and first President began. This battle was in a sense both a prelude to and part of the Revolutionary War. According to the U.S. George Washington Bicentennial Commission:

The war which commenced with Braddock's Defeat helped bring to a head the irritating question of Britain's right to tax her American colonies.

It also planted the suspicion in the minds of the colonists that the British Army was far from invincible.

Much historical data points to the conclusion that Braddock's Field was "where our Nation's liberty was conceived." Accordingly, this has become the motto of the Braddock Bicentennial Committee during its energetic endeavors.

The work of the Braddock Bicentennial Committee is directed by Chairman Bishop Baldwin, Cochairman David Solomon, Treasurer Robert Levis, Secretary Dorothy Bell, and Program Chairman Mary Sandidge. The members of the committee, who have given much time and effort to the bicentennial celebration, include: Douglas Blair, William Brallier, Joseph Cunningham, Mildred Devich, Thomas Finlon, Joseph Hamill, Casey Kuszaj, Jr., William Matta, George Mehalik, Jerome F. Meyers, Joseph Michel, Norman Milton, Francis Muracca, Ruth Noll, Regis Pastor, Robert Pioth, Joseph Rochez, Theodore Schleifer, Jr., Vincent Skowranski, Dr. William Stark, Rev. S. C. Taylor, William Wolf, Peter Zablocki, Henry J. Zygmunt, Beth Gilbert, and Cyril Puhala.

I am proud and honored to have shared these festivities with them, and I commend them all for taking the initiative in

this Bicentennial Year and for sponsoring a thoroughly outstanding birthday remembrance.

BULGARIAN INDEPENDENCE

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. DELANEY. Mr. Speaker, it is indeed ironic that five centuries of darkness and national oppression under Ottoman rule were initially shattered for the Bulgarian people with the help of the Russian Empire.

Bulgaria had been one of the greatest political units of the middle ages before she was conquered by the Turks in 1396. In March of 1878, by the Treaty of San Stefano, a Bulgarian principality was resurrected with Russian and Romanian help—its borders encompassed not only the present lands of Bulgaria, but most of Thrace and Macedonia as well. Unfortunately, this treaty was treacherously undermined by the Congress of Berlin which transformed Bulgaria into a northern principality under Ottoman suzerainty but within a sphere of considerable Russian influence, a southern state known as Eastern Rumelia, and Macedonia under direct Turkish rule. In 1885, despite Russian opposition, the principality of Bulgaria was united with Eastern Rumelia and Bulgarian boundaries expanded to approximately those of the present day. A fully independent kingdom was proclaimed on September 22, 1908.

It was toward the end of the Second World War, on September 5, 1944, that the Soviet Union opportunistically declared war on Bulgaria and Red armies poured into the war-devastated country. A Communist puppet-coalition, the "Fatherland Front," backed by Soviet troops, began its rise to power. Election results were falsified and violence and bloodshed became commonplace. During the following 3 years through a calculated plan of subterfuge and intrigue Soviet power was consolidated until the infamous December 1947 Dimitrov Constitution.

Mr. Speaker, March 3 marks the celebration by our fellow citizens of Bulgarian descent of their motherland's independence day. I wish to take this opportunity to join them in their prayer that Bulgaria regain her independence. The founders of Bulgaria's modern literature—Georgi Rakovski, Petko Slaveikov, Lyubev Karaclov, Kristo Botev—all gave voice to that spark of liberty that smolders deep within the heart of this great nation. In this year of renewed dedication to the cause of liberty, let us recall the words of Kosta Lulchev, leader of Bulgaria's Social Democratic Party, as he spoke in 1947 in defense of patriot Nikola Petkov:

The decision of the Bulgarian people to fight for freedom and democracy shall never be crushed. . .

**THE NEED FOR A CONSUMER COST
EVALUATION OF FEDERAL REGULATIONS**

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. BELL. Mr. Speaker, many Government programs, regulations, and policies are adopted by Federal agencies without adequate information on their direct or indirect costs to consumers.

Clearly, many Federal regulations and rules result in added costs to the public, but I question whether the benefits derived from some Federal regulations really justify those costs.

Consequently, I am today introducing the Federal Regulatory Public Cost Evaluation Amendments.

The purpose of this bill is to establish a means for determining the ultimate costs to the public of our Federal regulatory programs. It would require that any agency rules or regulations adopted must be found to provide benefits to consumers or the public that bear a reasonable relationship to any costs deriving therefrom.

Many people believe that the present and recurring economic problems this Nation faces are at least in part attributable to Government policies, regulations, and programs which result in unreasonable or excessive costs to consumers without providing benefits commensurate with such costs.

The Federal Regulatory Public Cost Evaluation Amendments would require every agency of the Federal Government to prepare, in conjunction with every proposal for a regulation that may have a significant impact on costs to consumers, a consumer cost assessment setting forth:

First, the impact on costs to the public that would result from such a proposal;

Second, the benefits to consumers or the public to be derived from such a proposal;

Third, a comparison of the costs and benefits to the public of the proposed regulation; and

Fourth, any practicable regulatory alternatives to such a rule or regulation.

An agency would then be required to publish their findings and to seek views and arguments from other agencies and the public.

As I travel around the State of California, I hear over and over again a common complaint from many of my constituents:

Help get the undue Federal regulatory burden off our backs.

Many of these people—people in business, and consumers—feel there is too little recognition of the costs involved compared to the benefits.

The legislation I am introducing today, the complete text of which follows, is intended to help solve that problem:

H.R. 12259

A bill to amend title 5, United States Code, to require Federal agencies to publish the

costs and benefits to the public of Federal regulations and rules which may have a significant impact on costs to the public
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Regulatory Public Cost Evaluation Amendments".

DECLARATIONS OF FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) the present and recurring economic problems of the United States are in part attributable to Federal agency regulations and rules which result in unreasonable costs to the public without providing benefits commensurate with such costs;

(2) many Federal agencies adopt rules without adequate information about their cost to the public in relation to their benefit; and

(3) Federal agency regulations and rules that may significantly increase costs to the public should provide benefits to the public that bear a reasonable relationship to such costs.

(b) The purpose of this Act is to establish a means for determining the cost and benefit to the public of certain such Federal agency rules that may have a significant impact on costs to the public.

AMENDMENTS TO TITLE 5

SEC. 3. (a) Section 553 of title 5, United States Code, is amended—

(1) in the second sentence of subsection (b) thereof by—

(A) striking out "and" immediately after "proposed;" and by striking out the period at the end of such sentence and inserting in lieu thereof "; and"; and

(B) inserting immediately after paragraph (3) the following new paragraph:

"(4) in the case of any rule which may have a significant impact on costs to the public, a comparison of the costs and benefits to the public of such rule and of any practicable regulatory alternative to such rule;"

(2) in the second sentence of subsection (c) thereof by striking out "and purpose" and inserting in lieu thereof ", purpose, and, if such rules may have a significant impact on costs to the public, their cost and benefit to the public"; and

(3) at the end of such section by adding the following new subsection:

"(f) (1) Each agency required by subsection (b) (4) to publish a comparison of the cost and benefit to the public from any rule shall seek written data, views, and arguments from any appropriate agency or person which may have a basis for evaluating such cost and benefit.

"(2) The Office of Consumer Affairs and any other agency established for the purpose of representing any consumer interest in Federal regulatory matters shall review any comparison published pursuant to subsection (b) (4) and submit appropriate written data, views, or arguments to the agency publishing such comparison."

(b) The third sentence of section 557(c) of title 5, United States Code, is amended—

(1) by striking out "and" after "on the record;" and by redesignating subparagraph (B) as subparagraph (C); and

(2) by inserting immediately after subparagraph (A) the following new subparagraph:

"(B) in the case of any decision which may have a significant impact on costs to the public, any cost and benefit to the public resulting from the decision; and".

GUIDELINES FOR PUBLIC COST AND BENEFIT STATEMENTS

SEC. 4. Within 90 days after the date of the enactment of this Act, the Director of the

Office of Management and Budget shall prepare and publish in the Federal Register guidelines for the preparation of public cost and benefit comparisons required by section 553(b) of title 5, United States Code, and of public cost and benefit statements required by sections 553(c) and 557(c) of such title. Such guidelines shall become effective on the thirtieth day beginning after the date of publication.

EFFECTIVE DATE

SEC. 5. This Act shall take effect on the date of its enactment, except that the amendments made by section 3 shall apply only to any rule with respect to which general notice of proposed rulemaking is published under section 553, title 5, United States Code, after the termination of the 150-day period beginning on the date of the enactment of this Act.

PUSH FOR ST. JUDE'S

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. JONES of Tennessee. Mr. Speaker, we in the Seventh District of Tennessee are again approaching the time of year when a true humanitarian event is held. That event is the annual "Push for St. Jude's" which has, for the past 5 years, been conducted by the Alpha Phi Omega Fraternity of the University of Tennessee at Martin to raise funds for the St. Jude's Children's Research Hospital in Memphis.

These young men each year give up their spring vacation to push two wheelbarrows along separate routes from Martin to Memphis, Tenn., a distance of about 130 miles. Along the way, they visit cities and towns throughout West Tennessee collecting money for St. Jude's.

In its previous 5 years, the Push has been quite successful having raised \$92,000 for St. Jude's Hospital. I would like to add that each year, the collections of the Push have risen and this year's goal has been set at \$25,000.

Mr. Speaker, these young men should be commended for the efforts they make in behalf of St. Jude's. Not only do they do something worthwhile, they sacrifice something themselves in time, energy, and even physical discomfort.

I would like to take this opportunity to bring this Push to the attention of my colleagues and recognize these young men for the work that they do. But I think I can best recognize them by inserting in the RECORD the following quote from one of their former chapter presidents, Mr. Scott Correll:

The Push is a fantastic example of mankind's unselfishness. It shows that the people of West Tennessee have a great love for St. Jude's Children's Research Hospital and the work it does. Our sore feet, blisters, and aching legs are all forgotten when we are greeted by the children and staff of St. Jude's. Our pains turn to joy when we begin to think of the children whose lives will be saved by the donations from the Push.

CONGRESSIONAL PAY RAISE

HON. CHARLES E. GRASSLEY
OF IOWA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 3, 1976

Mr. GRASSLEY. Mr. Speaker, yesterday, I filed a discharge petition with the House to try to force my bill rescinding the congressional pay raise onto the floor for debate.

My office has received mail from hundreds of Iowans opposed to Congressmen giving themselves a raise at a time when the average citizen is trying to tighten his belt.

Further evidence of public opposition to the pay raise surfaced in the New Hampshire primary last week when Wallace Johnson, a California businessman and Iowa native, polled over 35,000 votes in the Republican Vice Presidential race. Mr. Johnson ran on a platform to rescind the congressional pay raise.

I call to the attention of my colleagues the February 26, 1976, Des Moines Register article explaining Mr. Johnson's campaign:

Big V-P Winner in Primary: Ex-Iowan With One Issue
(By Clark Mollenhoff)

WASHINGTON, D.C.—Iowa-born Wallace (Wally) Johnson was a "big winner" in the New Hampshire primary, piling up 75 per cent of the Republican vote for vice-president in a campaign based solely on the issue of repealing congressional pay raises.

His only challenger, Austin (Chief Burning Wood) Burton, campaigned on giving the country back to the Indians, reducing defense spending 80 per cent and appointing former President Richard Nixon as ambassador to China.

Johnson campaigned in New Hampshire for eight weeks in opposition to last year's congressional pay raise, with its built-in escalator clause that he charged "insulates" congressmen, senators and federal employees from the ravages of inflation. The 62-year-old California manufacturing executive received a total of more than 35,600 votes.

NO ILLUSIONS

Johnson, born and reared in Fort Dodge, Ia., had no illusions about the New Hampshire primary being the road to the Republican vice-presidential nomination. He is a common-sense politician who served two terms as mayor of Berkeley, Calif., in its most tumultuous days.

The wealthy head of an international manufacturing firm, Upright, Inc., Johnson spent his own money in New Hampshire to demonstrate that people will respond to an issue they understand.

"Everyone knew I was not a serious candidate for the vice-presidential nomination," Johnson told The Register Wednesday. "They knew that a vote for Wally Johnson was a vote in favor of rescinding the congressional pay raise."

Johnson said he was "outraged" at the congressional pay boost and escalator clause, which he called "unconscionable."

Johnson said he believed President Ford's support of the pay boost should be made a national issue, and all candidates should be forced to take a position "on this most important issue."

Johnson returned Wednesday to his business in California, hopeful that the primary results will give some stimulation to pas-

sage of Iowa Representative Charles Grassley's bill to rescind the pay raise law.

Republican Grassley has 57 House sponsors for his bill including Representatives Berkley Bedell (Dem., Ia.) and Michael Blouin (Dem., Ia.).

However, Grassley's bill has been tied up in the House Post Office and Civil Service Committee, where a majority of the members favor retention of the pay increases.

Johnson, son of a Fort Dodge lawyer, graduated from Fort Dodge High School, where he was a state champion wrestler. In 1931, Johnson went to California Technical Institute, where he earned a degree in mechanical engineering and was a star quarterback on the Cal Tech football team.

He started Upright, Inc., in the late 1940s, and it is now a widely diversified aluminum manufacturing company.

Johnson was elected mayor of Berkeley in his first try for public office in 1962, and served two terms in that job. In the election to his second term, he received more than 71 per cent of the votes.

Johnson has no further plans for running for vice-president in primaries "because there aren't any other primaries where you can run for vice-president."

BULGARIA: REMEMBERING FREEDOM

HON. GLENN M. ANDERSON
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 3, 1976

Mr. ANDERSON of California. Mr. Speaker, today is a day of particular significance. It marks the 98th anniversary of the Bulgarian independence, which will forever remind us all that once the noble people were free and that now they suffer under Soviet subjugation.

March 3, 1878, marked the culmination of over 400 years of bitter struggle by the Bulgarians to free themselves from the ruthless autocracy of the Ottoman Empire. On that day, the Russian army had added enough strength to the freedom-fighting forces of Bulgaria to secure the treaty of San Stefano which freed that country from the bonds of the oppressive Turkish sultans forever.

Sadly, those bonds were brutally thrust upon the people of Bulgaria again in an even crueler fashion by the Soviets following World War II. We now have a generation of Bulgarians that has never known what freedom is, what liberty means, or what self-determination stands for. Today we have a people locked into an existence of perpetual struggle for those most basic human rights that so many of us take for granted.

I would like to take this opportunity to commend the actions of the Bulgarian people and their leaders here in the United States that have worked so hard to liberate their beloved land and to express my hope that one day the Bulgarian people will again enjoy the blessings of liberty they so rightly deserve.

GAO EXPORT SUBSIDY REPORT

HON. PIERRE S. (PETE) du PONT
OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 3, 1976

Mr. DU PONT. Mr. Speaker, the General Accounting Office has completed at my request, a report to Congress entitled "Agriculture's Implementation of GAO's Wheat Export Subsidy Recommendations and Related Matters."

The report contains evidence of serious maladministration within the U.S. Department of Agriculture. So that all Members will have an opportunity to study the GAO's conclusions and recommendations, I include the report's summary at this point in the Record.

REVIEW OF AGRICULTURE'S IMPLEMENTATION OF GAO'S WHEAT EXPORT SUBSIDY RECOMMENDATIONS AND RELATED MATTERS
DIGEST

At the request of several Members of Congress, GAO reviewed the Department of Agriculture's actions to implement recommendations contained in GAO's report, "Russian Wheat Sales and Weaknesses in Agriculture's Management of Wheat-Export Subsidy Program" (B-176943), issued July 9, 1973. This report concerns GAO recommendations on the former Wheat Export Subsidy Program and related matters. A separate report on executive branch actions to implement GAO recommendations on management of wheat sales will be issued soon.

The Wheat Export Subsidy Program was suspended in September 1972 because of changes in market conditions and in national agricultural policy. Agriculture's authority for reinstating such a program has not been suspended, however, and could be exercised administratively without consulting Congress, should market and policy changes dictate. (See ch. 1.)

GAO's 1973 report recommended that agriculture:

Complete a systematic evaluation of the former program.

Review the legality of subsidy payments involving grain sales to exporters' foreign affiliates.

If a program review determines subsidies are needed at a future date, insure that a reinstated program will be effective and efficient and provide for its periodic evaluation.

Subsequently, the Permanent Subcommittee on Investigation of the Senate Committee on Government Operations investigated the 1972 Russian sales and the management of the program and recommended that "before the reinstating of any subsidy system, the entire mechanism should be thoroughly reviewed so that it is responsive to the objective of making United States farm products competitive in the world market and not used for profit or speculative purposes."

Observation on market conditions

Uncertainty concerning the U.S. and world wheat supply-and-demand situation has existed since the historic Russian wheat purchases of 1972. World wheat market tight supplies over the past 3 years and reduced U.S. wheat stock levels have shown signs of improving in recent months. Agriculture is forecasting U.S. wheat carryover to increase significantly by July 1, 1976, but concern over drought conditions in the U.S. winter wheat region may reduce future production and carryover estimates for the following marketing year.

CONCLUSIONS

Agriculture initiated a variety of audits, selective studies, and advisory position papers concerning wheat export subsidies. Most of these efforts did not, nor were they intended to, constitute the formal, systematic evaluation recommended by GAO. (See chs. 2 and 3.)

Agriculture officials contend that (1) there is no need to systematically evaluate the former subsidy program nor to subsequently develop a new, standby program and (2) the tight wheat supply and high demand situation existing since the Russian sales of 1972 should continue, precluding resumption of a subsidy. Agriculture's current policy opposes export subsidies and contributes significantly to its reluctance to evaluate the former program and to develop a comprehensive standby program. (See pp. 7 to 9 and 42 to 43.)

Moreover, this policy provides no adequate policy alternatives for disposing of surplus wheat should—

Foreign demand for U.S. wheat decrease or stagnate;

Production of major foreign wheat suppliers increase, making them more attractive alternative suppliers of wheat; and

U.S. production of wheat increase producing high surplus levels similar to those existing before 1972.

Agriculture's Office of Audit made three limited-scope audits covering selected aspects of the former program. One audit, involving a review of past affiliate transactions, was directly related to a GAO recommendation; the other two were compliance reviews related to a former special short-term subsidy program. These audits resulted in:

A report on December 15, 1972, that disclosed that \$2.7 million in subsidy offers had been improperly made to exporters.

A report on August 22, 1974, that disclosed that some exporters had improperly used tolerance and other provisions of the subsidy program under the special System I regulations to their advantage. Agriculture brought \$8 million in claims, now being negotiated, against 9 exporters.

A report issued in June 1975 that reviewed the legality of subsidy payments involving sales to foreign affiliates. Only two transactions between affiliates were found to be questionable. The report concluded that failure to include Agriculture's interpretation of bona fide sales in program regulations had resulted in confusion for wheat exporters. (See pp. 9 to 20.)

Although the audit of affiliates supported GAO's conclusions and recommendations, it encompassed a small number of export contracts and did not constitute the thorough audit envisioned by GAO. Agriculture officials oppose reopening the audit to include a larger sample of export contracts. They maintain that the former program's recordkeeping provisions and the ambiguity of former subsidy regulations would limit their ability to determine program abuses and misuses resulting from questionable affiliate transactions. (See pp. 15 to 17.)

Possible recoupment of subsidy payments

Current Federal investigations of U.S. grain inspection practices raise the question of recovering Federal subsidy payments on grain exports. In view of the several billion dollars paid by the Federal Government to exporters under these programs, the Justice Department, Agriculture, and GAO are exploring the possibility of recouping subsidies on exports involving fraudulent grain inspection practices. (See pp. 19 to 20.)

Program evaluation needs

In July 1974 the Foreign Agricultural Service drafted a standby export subsidy proposal

which was, to some extent, responsive to GAO's 1973 recommendations. But no thorough program evaluation preceded its development and officials expressed little enthusiasm for formalizing the proposal. GAO emphasizes the need for a thorough, formal evaluation of the former program's effectiveness and efficiency because of the vicissitudes of grain supply and demand. In any crop year, market factors may result in wheat surpluses, requiring some form of a subsidy program. (See pp. 7 to 9 and 29 to 34.)

RECOMMENDATIONS

Specifically, GAO recommended that the Secretary of Agriculture:

1. Reopen and expand the Office of Audit's review of the legality of export subsidy payments involving sales to foreign affiliates before August 1971, to obtain additional information on the extent to which affiliate transactions resulted in abuse of the former program.

2. Adopt provisions to insure that exporters and their affiliates transact business at arm's length, should a new wheat export subsidy program be established.

3. Conduct an evaluation of the former subsidy program's effectiveness and efficiency, determine conditions under which subsidies may be needed, and prepare a standby subsidy program.

MATTERS FOR CONSIDERATION BY THE CONGRESS

Congress may wish to reexamine the entire subject of agricultural export subsidies and to determine whether legislation should be considered as a means for insuring a more effective and efficient subsidy program, should one become necessary in the future.

Congress may also wish to review results of Agriculture's evaluation of the export subsidy program and Agriculture's proposed guidelines for any new program.

"MR. SUNSET" RETIRES

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. STARK. Mr. Speaker, Mr. Edward A. Mills, a teacher in the San Lorenzo Unified School District is retiring this year after 24 years of dedicated service. It is my pleasure to pay tribute to this man who contributed so much of his time and energy to the students who were fortunate enough to have contact with him during those years.

Mr. Mills began his distinguished career in 1954 when he was hired as a sixth grade teacher at Sunset Elementary School. Over the years he taught several grades and his commitment to excellence in education coupled with his compassionate interest in each of his students earned him the love and respect of the community along with the affectionate name of "Mr. Sunset."

"Mr. Sunset," however, did not limit his contributions to the classroom. Being truly interested in his profession, he also was an active participant in various educational organizations. He held many chairmanships within the San Lorenzo Education Association and also served as elected treasurer for many years. Currently, he is treasurer to the Independent San Lorenzo Educators. The Sunset Par-

ent Teacher Association has recognized his efforts in that organization by presenting him with the PTA Life Membership Award for outstanding services to the children, parents, and the community.

Most importantly, Edward Mills has the qualities that set great teachers apart from good ones—a continuing desire to learn and a zest for life. Those qualities are evidenced in his wide travels; his varied hobbies which include photography, stamp collecting, weaving, and ceramics; and his extensive reading. In addition, through his favorite pastime as a professional square dance caller, he has not only brought enjoyment to adults but has also served in that capacity for handicapped children confined to wheel chairs.

His friends will be honoring him at a retirement dinner on June 30, 1976. However, there is no reason to believe his retirement will signal their loss. I am sure "Mr. Sunset" will continue to be an inspiration to former students, colleagues, and parents.

NATIONAL ASSOCIATION OF ATTORNEYS GENERAL SUPPORT CONGRESSIONAL ATTEMPT TO LIMIT PREEMPTION OF STATE AND LOCAL LAWS BY THE FEDERAL TRADE COMMISSION

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. FORSYTHE. Mr. Speaker, I and approximately 60 of my colleagues in the House have joined with Mr. STUCKEY of Georgia in supporting a House concurrent resolution carefully specifying that Congress has not given to the Federal Trade Commission the authority to determine whether its rules preempt State and local laws.

The purpose of the Federal Trade Commission is to protect both consumers and competitors from deceptive trade practices, and to this end the FTC directs its action toward curtailment of unfair competition. I strongly admire their objectives of increasing competition and thereby lowering competition.

The various sovereign States, however, also have an interest in protecting their citizens from unfair competition, and currently 48 States have laws more or less similar to the FTC law.

I strongly feel, therefore, that the FTC is attempting to usurp State laws through its regulatory authority when it becomes involved in regulating such fields as retail drugs, credit, funerals, and optometry. This involvement is clearly contrary to congressional intent in its passage of laws dealing with the FTC. Specifically, the Magnuson-Moss Warranty-Federal Trade Commission Act made it clear by title II of the act that it was not intended to preempt State and local jurisdictions.

At its 1975 Mid-Term Meeting in Scottsdale, Ariz., the National Association of Attorneys General addressed this issue of Federal preemption of State and local laws by passing two resolutions which should be of particular interest to my colleagues in the House. One resolution discusses the general issue of the preemption of State and local laws by Federal agencies without the specific authorization of Congress; the other resolution discusses the specific preemption of such laws by the Federal Trade Commission, and the resulting efforts currently before Congress to prohibit such preemption.

The two resolutions follow:

RESOLUTION IV: FEDERAL PREEMPTION

Whereas, there seems to be an effort of some federal agencies to make their rules and regulations "the supreme law of the land" by preempting and overriding state and local laws without clear authority from the Congress; and

Whereas, this is of concern to this Association, now, therefore, be it

Resolved that it is the view and position of the National Association of Attorneys General that

1. A federal agency should exercise its authority and its investigative power inherent in that authority within the confines of the statutes applicable to such agency; and

2. Federal agencies and establishments should not move or act to preempt and/or override duly enacted state or local laws through its rules or regulations with a view of claiming that such federal agency's rules and regulations would be the "supreme law of the land" when the Congress of the United States of America has not specifically and directly authorized such action; and

3. While recognizing the right of Congress to so authorize and direct such agencies, that the granting of such power should be done only after fully considering the effect thereof on state and local government; and be it further

Resolved that a copy of this resolution be sent by this Association to the President of the United States and to the United States Senate and to the House of Representatives of the United States of America.

RESOLUTION XIII: RESOLUTION SUPPORTING SCR 77 AND HCR 483 AND 484

Whereas, it is recognized laws properly enacted by the Congress of the United States may preempt, in whole or in part, laws of the States and their political subdivisions; and

Whereas, in the absence of a specific delegation of authority, the determination of whether, or to what extent, a law of the United States preempts the laws of the States and their political subdivisions is solely within the power of Congress, or, if the Congress fails to make such determination, within the power of the courts; and

Whereas, the Federal Trade Commission, in connection with the issuance of a Proposed Trade Regulation Rule under the Federal Trade Commission Act stated that "... it is the Commission's intent in issuing this proposed rule to override contrary state or local law. The rule is an interpretation of the Federal Trade Commission Act (15 U.S.C., section 41, et seq.) and constitutes a declaration of federal law. Under the supremacy clause of the United States Constitution, the rule will become the supreme law of the land on the matters it covers and within the confines of the Commission's jurisdiction, pre-

empting all repugnant state or local laws;" and

Whereas, the reports of the Senate Committee on Commerce (S. Rept. 93-151) and the House Committee on Interstate and Foreign Commerce (H. Rept. 93-1107) on the Magnuson-Moss Warranty-Federal Trade Commission Improvement Act stated that the amendments to the Federal Trade Commission Act made by Title II of that Act were not intended to preempt state and local jurisdiction; and

Whereas, the National Association of Attorneys General is gravely concerned about the effort of some federal agencies to make their rules and regulations "the supreme law of the land" by preempting state and local laws without clear authority from the Congress; and

Whereas, the Congress is considering Senate Concurrent Resolution 77 and House Concurrent Resolutions 483 and 484 which would express the position of Congress that the reports of the Senate Committee on Commerce (S. Rept. 93-151) and the House Committee on Interstate and Foreign Commerce (H. Rept. 93-1107) on the Magnuson-Moss Warranty-Federal Trade Commission Improvement Act stated that the amendments to the Federal Trade Commission Act made by Title II of that Act were not intended to preempt state and local jurisdiction; and

Whereas, it is the opinion of the National Association of Attorneys General that the Congress has not delegated to the Federal Trade Commission any authority to preempt the laws of the States and their political subdivisions, now, therefore, be it *Resolved* that the National Association of Attorneys General supports the passage of Senate Concurrent Resolution 77 and House Concurrent Resolutions 483 and 484; and be it further *Resolved* that a copy of this resolution be sent by this Association to the United States Senate and to the House of Representatives of the United States of America.

NATIONAL DAY OF PRAYER

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. BOB WILSON. Mr. Speaker, I am today introducing a joint resolution authorizing and requesting the President to proclaim April 29, 1976, as a National Day of Prayer. It was on April 29, 1607, that the first permanent English settlers on the American continent erected a wooden cross transported from England and bowed before God to dedicate this new land to His glory. This prayer meeting was held by about 100 colonists on a spot named that day as Cape Henry, a point of land now encompassed by the city of Virginia Beach. The service was conducted by the colonists' Anglican chaplain, Robert Hunt, who later celebrated the first Anglican communion in America at Jamestown.

Our Nation was founded by individuals who sought the right to worship God in their own way. This strong individual faith sustained the pioneer across the hot dry prairie, the soldier in the trenches; the immigrant who left friends and

homeland behind in search of freedom and a better way of life for his children. We have a religious heritage of which we can all be proud and a National Day of Prayer on April 29 would be a very fitting time for Americans to pay special tribute to the God of our fathers.

INFLATED MEDICAL COSTS UNFAIR TO THE ELDERLY

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. HARRIS. Mr. Speaker, the cost of health care in this country is rising and becoming more and more of a burden. Studies show that hospital costs are being inflated at the unbelievable rate of 16 percent a year. Total health care costs are rising twice as fast as the general consumer price index. All Americans are being squeezed by inflation in the health care field, but the burden falls particularly hard on the elderly. Only 10 percent of our population is over 65 years of age, but these older Americans account for 28 percent of all health care expenditures. Cost-of-living increases for social security and Federal retirement benefits are based upon the consumer price index, but for older Americans, the CPI does not properly reflect the disproportionate expenditures for medical costs. Because of these escalating medical costs and in spite of cost-of-living increases, the purchasing power of senior citizens is quickly eroding.

The higher medical costs for retired citizens were made especially clear to me in a recent letter I received. Mr. W. M. Vest, a retired Federal employee in my district, found that his health insurance payments were increased 55 percent in February, from \$27.90 to \$43.36 a month, an increase that takes a big bite out of his pension.

As a member of the House Subcommittee on Retirement and Employee Benefits of the Post Office and Civil Service Committee, I participated in hearings on the 1976 rate increases in the Federal employees health benefits program negotiated by the Civil Service Commission and various insurance companies. These hearings led me to conclude that the program must be significantly revised to make sure that future rate adjustments do not unfairly victimize the Federal retiree and employee. I will certainly work toward that end.

Mr. Vest's letter follows:

DEAR CONGRESSMAN HARRIS: Please notice the above statement. An added deduction on health benefits of \$15.46, from my small pension.

Instead of drawing \$190.10 as I have been drawing, I will be getting \$174.64. Don't you think that is a little unfair on such a small pension? Anything you can do I will appreciate it. Thanks for listening.

Yours Truly,
W. M. VEST.

NEW HAVEN, CONN., JEWISH HOME
FOR THE AGED

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. GIAIMO. Mr. Speaker, some time in June, public, religious, health, social and civil leaders of the New Haven, Conn., metropolitan area will join with members and directors of the Jewish Home for the Aged to dedicate a new \$5 million residence serving the aged, poor and sick in the Jewish community.

This magnificent 150-bed residence represents an additional important resource to the community at a time when our aged population is increasing. The new home will permit the adjacent current residence to be renovated to contain necessary medical, ambulatory and rehabilitation services, as well as administrative offices. The combined facility, when fully operational, will be a complete community health and residential center, one of the first of its kind in southern Connecticut and a model for geriatric care for communities throughout the Nation.

It is significant to note, Mr. Speaker, that at every stage of planning, from original concept to design and construction, the new Jewish Home for the Aged was the product largely of volunteer work and of private philanthropy on the part of many beneficent people.

Since its establishment in 1914 by the Sisters of Zion, the home has been a haven for countless thousands of people. Its humanitarian record is measured not in numbers alone, however, but in the high quality of personal care provided to the residents over the years. Through this experience, the frontiers of good care have been advanced further: expert medical service combined with compassionate and friendly residential care in a modern and comfortable setting are essential to dignified living for the aged sick and poor, as exemplified in the new Jewish Home for the Aged.

Mr. Speaker, I congratulate the officers, directors and members of the Jewish Home for the Aged and its many generous supporters for making this much-needed and valuable facility a reality. Following is a brief history of the home, which I submit as part of my remarks:

JEWISH HOME FOR THE AGED, NEW HAVEN

The Jewish Home for the Aged was founded in 1914 by Sisters of Zion, a group of women dedicated to helping the sick and the poor. Sensing the need for a facility to care for the elderly, the Sisters of Zion launched a campaign, contributing its entire \$300 treasury. In April of 1916, property at 169 Davenport Ave., New Haven was acquired and renovated at a total cost of \$6,000 and the first Jewish Home for the Aged opened its doors.

Within one year, adjoining property was acquired and in 1921 the original building

was demolished and a new four-story structure constructed on the same site. This 55-year-old building now houses the Home.

Over the years, the Jewish Home for the Aged continued to flourish and help elderly Jewish residents of New Haven and surrounding communities. In order to best prepare for the future, the Home's directors in 1972 commissioned a study to determine long range plans. A fund-raising campaign was launched and construction began on a new \$5 million facility adjacent to the present facilities. The Jewish Home currently is able to accommodate up to 150 residents. Its 130-member staff includes experienced physicians, nurses and rehabilitation specialists, trained dietitians, attendants and orderlies. Average age of Home residents is 85.4.

The Home offers a wide variety of programs and services and a trained and active volunteer group makes itself available for diverse services. In addition, close ties are maintained with Yale-New Haven and St. Raphael's Hospitals for such programs as student training and exchange programs, among others.

The new \$5 million facility which will be completed in the spring will house residents of the Jewish Home. The present 55-year-old building will then be renovated to contain the medical, rehabilitation and administrative facilities and outpatient services. When completed, the home will be a complete community health and residential center which will stress, among other things, active participation, rehabilitation programs and vocation and emergency care for non-residents and the Home will work closely with area hospitals and specialized schools to assist in the training of future geriatric specialists.

**THE LATE HONORABLE FLORENCE
PRICE DWYER**

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. RODINO. Mr. Speaker, the death of our former colleague, Florence Dwyer, has taken from us an outspoken and dedicated advocate of integrity and equality.

Mrs. Dwyer never wavered in her support of the principles of equality for women, of consumer rights and of sound education. In our own State of New Jersey, and in the House, she was not only a leader but an effective legislator as well. Indeed, she proved to be a woman of vision, sponsoring legislation to create an independent consumer protection agency.

She anticipated as well the need for election reform to assure our citizens that their democratic processes operate with integrity and honesty.

I am proud that for 16 years I was able to serve in the House of Representatives with Florence Dwyer, who was my friend, my colleague, and who demonstrated so well those qualities that made her a fine American and a compassionate human being.

**HOW DÉTENTE OPENS DOOR FOR
SOVIET SPIES IN THE UNITED
STATES**

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. McDONALD of Georgia. Mr. Speaker, a few days ago in the CONGRESSIONAL RECORD—page 3480 of February 17, 1976—I mentioned that the Soviet Embassy was in first place as regards unpaid parking tickets in Washington, D.C. It might well be asked what is the purpose of all these trips? We know that a large percentage of any Soviet Embassy staff belongs to the KGB or the GRU—military intelligence. Due to détente and all the current exchange programs with the U.S.S.R., the number of Soviet citizens roaming about the United States, in addition to diplomatic personnel, is greatly on the rise. U.S. News & World Report estimated in a recent article that there are now 700 such spies in the United States and obviously some of them are carrying on espionage and subversion right here in the Nation's Capitol and parking illegally is just one manifestation of this. The article from U.S. News & World Report for February 23, 1975, is included at this point for the edification of my colleagues:

**HOW DÉTENTE OPENS DOORS FOR SOVIET
SPIES IN UNITED STATES**

(Spies posing as diplomats, or as scientists, hidden in trade delegations . . . Their numbers grow as relations with Russia expand.)

Almost totally obscured by public hand wringing in Congress about U.S. spying abroad is this striking disclosure: The number of spies from Soviet-bloc nations operating in the U.S. has increased by about 75 per cent in the last five years.

In 1970, there were fewer than 1,000 officials from Soviet Russia and its Communist satellites in Eastern Europe assigned to posts in this country.

By 1975, that number had grown to almost 1,700. About 40 per cent of these Communist officials are spies—trained, hard-core intelligence agents.

This means that there are now some 700 such spies in the U.S., compared with about 400 in 1970.

In addition, thousands of Soviet citizens entered this country last year in trade, scientific or cultural delegations. Between 70 and 80 per cent of all those sent abroad by Moscow are given some kind of intelligence assignment.

These figures were provided to U.S. News and World Report by well-informed U.S. Government sources, based on findings of Western intelligence experts and information supplied by defectors from Russia or its Communist allies.

They show how the problem of protecting vital American secrets from foreign agents is growing.

This growth occurs in an era of détente, when relations between the Soviet Union and the U.S. are supposed to be improving and tensions relaxing.

EMBATTLED AGENCIES

It also comes at a time when the U.S. agencies assigned the job of countering foreign espionage—principally the Central Intelligence Agency and the Federal Bureau of

Investigation—are being weakened by criticism, investigation and leaks of secret information, and also are facing threats of new curbs on their powers and scope of operation.

Senate Majority Leader Mike Mansfield (Dem.), of Montana, recently said there has been a 43 per cent reduction in the personnel of the CIA and other U.S. intelligence-gathering organizations over the past six years. And he called for further cutbacks.

President Ford's budget for the next fiscal year would cut 15 million dollars from FBI funds and eliminate 522 positions from its work force.

FBI Director Clarence M. Kelley has warned Congress that the rising numbers of foreign agents in the U.S. pose a substantial threat to this nation's security. The U.S. has been designated the prime target by the intelligence services of Communist-bloc countries, he said. Although he has declined to give any details in open session, he told a House subcommittee that "the intensity of their operations against us may be gauged by the steady increase of intelligence officers assigned to the United States."

Director Kelley has objected to proposed curbs on the FBI's electronic surveillance and wiretaps in cases involving national security.

U.S. intelligence experts agree that détente, instead of easing their burden of counterespionage, actually has added materially to that burden.

Not only has détente contributed to the sharp increase in the numbers of Soviet-bloc officials in the U.S., but it has also led to relaxation of once-strict curbs on their travels here and their access to information.

SUSPECT DELEGATIONS

In addition, détente has opened the doors to entry of growing numbers of delegations that are visiting this country as part of the expanding economic and cultural exchange between the U.S. and Russia.

"From the counterintelligence point of view," says one U.S. official, "we must assume that all Soviet functionaries on assignment abroad may be spies."

The Senate Internal Security Subcommittee, on February 9, published testimony by a former Czechoslovakian spy that shows why U.S. officials are suspicious not only of Soviets but also of those entering this country from other Communist nations.

The witness was Joseph Frolík, described by the Subcommittee as a member of the Czech intelligence service for 17 years and "one of the most senior Eastern intelligence agents to defect to the West since World War II."

Mr. Frolík said "the efforts of the Czechoslovak intelligence service are directed and co-ordinated by the KGB [Soviet spy network] which uses the human and material resources of the intelligence services of the other countries of the so-called socialist camp in a similar manner."

Statistics tell the story of what this means to American spy hunters.

COMMUNIST OFFICIALS

Last year, there were about 3,500 people from the Soviet Union and its Communist satellites in Eastern Europe living in the United States—approximately 1,700 officials plus their 1,800 or so dependents. This was an increase from about 2,300 living here five years earlier.

This burgeoning population includes those attached to Communist missions to the United Nations in New York as well as to embassies in Washington.

Defector Frolík testified that his experiences led him to "assume that 60 per cent of all the diplomatic personnel at the Czechoslovak Embassy and 50 per cent of the non-diplomatic personnel of the Embassy and of

the commercial section are members of the HSR [Czech intelligence service]." He added that "this also applies" to the Czech mission of the United Nations.

TRADE MISSIONS

In 1972, only 81 Soviet trade groups, totaling 641 persons, visited the U.S. By 1974, those figures had grown to 466 groups with 1,500 persons. Last year's figures are estimated to be somewhat smaller, perhaps due to diminishing hopes for Soviet-American trade. But trade missions, which include experts in many fields, still provide highly useful covers for at least 1,000 visitors, any of whom may be mixing spying with business.

CULTURAL EXCHANGES

In 1972, the Soviet Union sent 330 cultural groups containing 1,944 persons on tours of the United States. By 1974, the total was up to 486 groups including 2,683 persons, and last year, it is estimated, the number of Soviet performers on tour here topped 3,000.

VISITING SEAMEN

In 1972, the U.S. opened 30 deepwater ports to Soviet ships. This immediately gave Communist spies easy access to this country. In 1974, some 14,000 Soviet crewmen came ashore at U.S. ports. This does not include the seamen from Eastern European ships that dock in the U.S.

COMMUNIST COLLABORATORS

It is the Soviet Union which operates the biggest spy network in this country. But spies from such Eastern European Communist countries as Poland, Czechoslovakia, Bulgaria, Hungary and Rumania collaborate with the Russians. Actually, according to the Frolík account, they take directions from the KGB.

Cuba, although maintaining no embassy in Washington, has more than a score of people in its delegation to the United Nations. And they also are described as being very helpful to the Soviet spy network.

In addition to all these foreign Communists in this country legally, there are believed to be large numbers of "illegals" posing as citizens of the U.S. or friendly countries.

Soviet intelligence targets in the U.S. are highly varied and often sophisticated. In addition to military information—always a major concern—spies are interested in anything related to new technology, in business and economic data or political information—and anything about U.S. policy toward Cuba.

According to Mr. Frolík, "scientific-technical intelligence, to which the Communist regimes devote extraordinary attention, has become one of the most profitable components of the intelligence apparatus." He testified that valuable inventions, technological processes and scientific research are stolen on a massive scale.

FBI officials deny recent charges that Congress has been infiltrated, but Communist agents are known to be making a major effort to develop contacts, exercise influence and even recruit operatives among congressional aides and news reporters. Ethnic groups in this country are courted—or threatened—in efforts to enlist their help.

Easing of travel restrictions has made spying easier. Until 1974, Soviet diplomats were limited in their U.S. travels to a 25-mile radius from their place of assignment unless given special permission. But now that American officials are permitted to travel a bit more freely in the Soviet Union, curbs on Russian travel have been eased somewhat in return. So have those on Cubans. And there is no limit on the travel of Russians on the U.N. staff. Curbs on Eastern European diplomats vary according to the rules their countries apply to Americans. All Communist officials, however, are supposed to stay away

from certain designated areas such as missile sites or major military or naval bases.

The U.S. is such an open society that much of the information Moscow seeks can be obtained overtly—often from American publications. But American officials say the Soviets tend to distrust such printed data, suspecting it is "planted," and prefer to get their information clandestinely. "If they've obtained it secretly, they assume it must be more accurate," as one official put it.

And even in the U.S. open society, there are still many kinds of secrets to be stolen.

THE PAYOFF

How successful is Soviet espionage in this country? U.S. officials say they cannot measure that because there is so much "we don't know."

How successful is American counterintelligence in catching Soviet spies?

Only seven members of the Soviet-bloc apparatus have been expelled from the U.S. since 1969. But "arrests and expulsions are only a minor way of dealing with espionage," explains an American official. "They are only the tip of the iceberg. Our major aim is to neutralize their effectiveness. Prosecution is secondary, since other intelligence operatives are just sent in to take the place of those sent home or imprisoned.

"Our big problem now is the growing number of Communist officials in the U.S. The more there are, the greater is their intelligence capability."

THE SILENT PARTNER OF HOWARD HUGHES—PART II

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. HARRINGTON. Mr. Speaker, I am inserting today the second installment of the Philadelphia Inquirer's exposé regarding Howard Hughes' privileged relationship with sectors of the American Government:

THE SILENT PARTNER OF HOWARD HUGHES—II
(By Donald L. Barlett and James B. Steele)

Hughes has a history of unorthodox and irregular business and political dealings.

Things like the \$100,000 secret political contribution delivered to Former President Richard M. Nixon's friend, Florida banker Charles (Bebe) Rebozo.

Or the memorandum Hughes sent to one of his associates concerning the billionaire's efforts to block underground nuclear tests in Nevada, which said in part:

"There is one man who can accomplish our objective through (President Lyndon B.) Johnson—and that man is HHH (Hubert H. Humphrey). Why don't we get word to him on a basis of secrecy that is really, really reliable that we will give him immediately full, unlimited support for his campaign to enter the White House if he will just take this one for us?"

With a few isolated exceptions, there has never been any independent, intensive public accounting of the more than \$6 billion Hughes has received from the federal government over the last 10 years.

Unlike other major government contractors, Hughes companies—because they are privately held—are not required to submit detailed financial information to federal agencies such as the Securities and Exchange Commission, whose records are open to the public.

Thus, while every other major defense contractor must file public reports listing details about such things as profits and assets and liabilities and sources of loans and—perhaps more significantly, self-dealing financial transactions—for Hughes companies all of this is kept secret.

As for internal government audits on the results and even the existence of which often are kept secret—there is substantial reason to question their effectiveness and their thoroughness, especially when it comes to Hughes companies.

REPORT TO CONGRESS

In a report submitted to Congress in 1967, the General Accounting Office (GAO), the so-called watchdog agency of the federal government, listed 36 separate audit studies it had made on negotiated prices and had delivered to the secretary of defense from January 1966 to February 1967.

The list included all the familiar defense contractors—Lockheed Aircraft Corp., the Boeing Co., Westinghouse Electric Corp., General Electric Co., the Radio Corp. of America and the General Dynamics Corp., among others.

Conspicuous by its absence from the list of 36 audits: Hughes Aircraft Co., a company that during the same period had received negotiated contracts worth upward of a quarter-billion dollars.

The GAO does not audit defense contracts on a systematic basis, and when such audits are made, they generally are something less than intensive.

Yet, even the few GAO audit reports of Hughes defense contracts that The Inquirer has been able to obtain contain an assortment of examples of overcharging by the company.

An official in the GAO general counsel's office—which for more than four months now has refused to make public all its audits of Hughes contracts—explained the agency's procedures this way:

"We sometimes do self-initiated audits. Sometimes they are intensive. Most of the time they are not. We rely a lot on what the individual agencies do" in their own audits of their contractors.

"I should imagine their (Hughes) Defense Department contracts are done (audited) on a regular basis by the Defense Contract Audit Agency."

The Defense Contract Audit Agency, the arm of the Defense Department on which the GAO acknowledges it relies heavily for its information, does indeed audit Hughes military contracts regularly. But the agency considers the majority of its audit reports, if not all of them, to be confidential.

REQUEST SUBMITTED

In a letter to the Defense Department dated last Sept. 9, The Inquirer submitted a request under the Freedom of Information Act to examine Defense Contract Audit Agency reports on Hughes companies.

In sequence, this is what happened:

The Defense Contract Audit Agency notified executives of Hughes Aircraft Co. and Hughes' Summa Corp. that The Inquirer had asked to inspect the government audit reports.

Curiously, the Defense Department agency even notified Calvin J. Collier, vice president of Hughes Tool Co. in Houston, of The Inquirer request.

Ostensibly, Howard Hughes no longer has any connection with Hughes Tool Co., which has been a publicly owned company since Hughes sold his stock in 1972. Collier is a long-time Hughes aide.

After the Defense Contract Audit Agency turned over copies of The Inquirer letter to the two Hughes companies as well as Hughes Tool Co., Hughes executives expressed

their strong objections to the release of the government reports.

A letter from William F. Shaw Jr., secretary and general attorney for Hughes Aircraft Co., to the Defense Contract Audit Agency, stated in part:

"The audit files of the Defense Contract Audit Agency clearly contain trade secrets and commercial or financial information of Hughes Aircraft Co. which is privileged and confidential, the public disclosure of which would:

"Impair the government's ability to obtain necessary information in the future; cause substantial if not catastrophic harm to the competitive position of Hughes Aircraft Co."

The Defense Contract Audit Agency then notified Hughes executives of its decision—that it planned to abide by Hughes' wishes and reject The Inquirer request to look at government audits of Hughes companies. The Hughes executives were told this even before the agency notified the newspaper of its decision.

A telegram dated Oct. 1 and sent to the Defense Department agency by the Hughes Helicopters Division of the Summa Corp. stated in part:

"We understand your agency intends to deny the request . . . In the event your agency should consider changing its position, we request that we be promptly advised so that we can take appropriate action.

"Please advise if there is any further information or assistance required of us at this time."

It was not until two days later, in a letter dated Oct. 3, that an official of the Defense Contract Audit Agency informed The Inquirer that it was rejecting the newspaper's request to examine the audit reports.

DECISION APPEALED

The letter contains no mention of the fact that the Defense Department agency first sought out the opinions of Hughes executives and then issued a decision that was in accord with the wishes of those executives.

The Inquirer subsequently has administratively appealed the decision by the Defense Contract Audit Agency, a required procedural step prior to the filing of a lawsuit in federal court in an effort to compel the government to make public the government reports.

How does it come about that privately held companies make the determination as to whether United States government reports—in this case audits of the expenditure of hundreds of millions of dollars in tax money—are made available to the public?

James ("I'm no relation to Howard") Hughes deputy counsel in the Defense Contract Audit Agency, offered this explanation: "They (Hughes executives) are the best ones to determine if the release of financial information will harm them."

The secrecy surrounding Hughes financial data, as well as the questionable reliability of internal government audits, are especially critical when one remembers that upward of 80 percent of Hughes contracts with the federal government are awarded on a negotiated basis, without any competitive bidding.

For the taxpayer, the costs of such contracts can be staggering. Witness:

From an Army evaluation report concerning the planned acquisition of light observation helicopters:

"Historically, it has been shown that prices obtained through competitive means are approximately 25 percent lower than those obtained on a sole-source basis."

From a statement to Congress by former Secretary of Defense Robert S. McNamara:

"Based on our experience to date and the studies of the General Accounting Office, we

anticipate initial price reductions on the order of 25 percent upon transferring items to competitive procurement."

From a former Hiller Aircraft Corp. executive, who was asked for his opinion of the government practice of awarding contracts without competitive bidding, during an appearance before a congressional investigating committee:

"I think they (the government) could have saved a lot over the years—enormous amounts of moneys . . . The payoff to the government is so much greater than that, not just in terms of cost, but in terms of getting a better machine. Bell (Bell Helicopter Co.) and Hiller kept developing new machines to bid against each other at their own cost . . . the incentive was always to keep increasing the performance . . ."

From a Defense Department specialist on the staff of Sen. William Proxmire (D-Wis.), a long-time critic of military procurement practices:

"A negotiated contract opens the door for all kinds of problems, quid pro quo agreements, conflicts of interest. But eventually it results in higher prices because there is no competition.

"The Department of Defense (in such a case) wants the item and it doesn't care how much it costs. The company knows it's the only supplier. Who looks out for the taxpayer? Competition results in better products at lower prices. We have to keep reminding the Pentagon about the free enterprise system."

EXCEEDS AVERAGE

Defense Document computer printouts of Hughes Aircraft Co. contracts, obtained by The Inquirer under the Freedom of Information Act, show that the percentage of contracts awarded to the Hughes company without competitive bidding is substantially higher than the average percentage for all other defense contractors.

The \$813.2 million worth of Defense Department contracts Hughes Aircraft Company received in fiscal year 1974 were awarded on the following basis:

Contracts worth \$636.6 million—or 76 percent of the total—were given to Hughes without competitive bidding. The average for all other defense contractors was 56 percent.

Contracts worth \$103.3 million—or 18 percent of the total—were awarded to Hughes following a design of technical competition. The average for all other defense contractors was 10 percent.

Contracts worth \$73.3 million—or just 8 percent of the total—were awarded to Hughes on the basis of price competition. The average for all other defense contractors was 34 percent.

A breakdown of contract data for the first six months of fiscal year 1975, the latest period for which figures are available, shows an even greater disparity.

During the six-month period, Hughes Aircraft Co. received military contracts valued at \$622.1 million. Of that figure:

Contracts worth \$580.5 million—or 93 percent of the total—were given to Hughes without any competition. The average for all other defense contractors was 64 percent.

Contracts worth \$37.1 million—or 6 percent of the total—were awarded to Hughes following design or technical competition. The average of all other defense contractors was 10 percent.

Contracts worth \$4.5 million—or less than 1 percent of the total—were awarded to Hughes on the basis of price competition. The average for all other defense contractors was 26 percent.

Perhaps it should not be too surprising that the company that receives the largest dollar percentage of Defense Department contracts awarded without competitive bid-

ding also is the company most dependent on government business for its existence.

A survey by The Inquirer showed that Hughes Aircraft—which ranked eighth among the 100 companies receiving the largest dollar volume of prime contracts from the Defense Department in fiscal year 1974—is more dependent on government business than any of the other 10 largest military contractors.

Because of the secrecy that surrounds all Hughes business dealings, and the confidential manner in which profit margins relating to specific transactions are treated generally by business, it is difficult to assess Hughes profits on individual government contracts.

GLOBAL MARINE INC. PROFITS ON CIA-HUGHES CONTRACT

Year	Operating revenue from CIA-Hughes	Operating profit on CIA-Hughes revenue	Global Marine total operating profit	CIA-Hughes operating profit as percent of total
1972	\$8,872,443	\$4,133,819	\$22,965,659	18
1973	11,464,843	3,431,631	22,877,540	15
1974	15,153,816	3,256,975	27,141,457	12
Total	35,491,102	10,822,425	72,984,656	15

THE AMERICAN PARENTS COMMITTEE 1976 LEGISLATIVE GOALS ON BEHALF OF CHILDREN

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Ms. ABZUG. Mr. Speaker, the American Parents Committee, the oldest Washington public interest group working exclusively on behalf of Federal legislation of our Nation's children, has recently issued its 1976 goals.

I believe that this document provides the best overview of the problems and solutions for some of the critical issues we face as a nation. Children, because they do not vote, are not organized, and do not have wealthy, powerful lobbies fighting for their interests, are often neglected by our Federal Government. If ever there was a group that needed to be a real "special interest" it is our Nation's children.

I commend the American Parents Committee for their work and recommend the reading of their "1976 Legislative Goals on Behalf of Children."

The text follows:

1976 FEDERAL LEGISLATIVE GOALS ON BEHALF OF CHILDREN

APPROPRIATIONS FOR CHILDREN'S SERVICES

The budget proposals for fiscal year '77 of the Ford Administration do great harm to children's services. In every area where the Federal government exhibits some concern for children—health, education, welfare and nutrition—the Ford Administration proposes cutbacks, reductions, shifts to States that can't afford new programs and the lessening of Federal quality controls.

In his 1977 budget President Ford proposes the elimination of the 25% matching requirement for Title XX social services. This will lead to a reduction in aggregate dollars spent on such services. The President is also

requesting legislation eliminating such categorical health programs as family planning, maternal and child health, VD control, rodent control and community mental health programs. All such programs are to be amalgamated into one program with the States given "goals" to fill. Such a program would not only mean a reduction in overall dollars spent on health but it would pit one group against another. It is all too likely, that if the Ford proposals were to pass, children would greatly suffer.

Therefore, we oppose the proposals of the Ford budget to turn health, education, social services and child nutrition into bloc grants. We support the continued existence of categorical programs and urge that fiscal '77 appropriations reflect full funding for children's services. For example, Child Welfare Services under Title IV-B of the Social Security Act is authorized at \$246 million, yet only \$50 million is appropriated. This disparity is so enormous as to distort the nature of the program by fragmenting child welfare services, often into means-tested programs.

In 1976 Congress will also be faced with renewal of the program of General Revenue Sharing. Unfortunately in the five years this program has been in existence children's services have received short shrift. Of the \$6 billion spent by State and local governments under General Revenue Sharing, less than 2 percent was spent on human services. The APC will oppose a simple extension of the program unless efforts to make it more responsive to unmet social needs, especially those of children, are successful.

DAY CARE AND CHILD DEVELOPMENT

The introduction of hearings on the Child and Family Services Act of 1975, by Rep. John Brademas and Senator Walter Mondale is to be commended. The APC believes this legislation needs some changes and modifications, especially in the amount of money available. However we shall continue to work vigorously on behalf of legislation that will provide universally available, high quality day care development programs to all who request them. Such legislation should (1) meet high quality Federal standards, which shall be enforced, (2) make services available to all who need and request them, (3) avoid such approaches as vouchers or other systems that would enable funds to go to private, for profit groups, (4) be operated as a public utility, (5) utilize existing facilities and personnel on a full-time, year round basis, (6) provide education for parenting and home-maker services, (7) include parental involvement and (8) provide the necessary funds to accomplish these purposes.

FOSTER CARE AND ADOPTION

The APC will actively pursue initiatives in the field of foster care and adoption. We shall work for legislation that supports the principles adopted by the National Council of Organizations for Children & Youth in its Adoption/Foster Care Cluster. Specifically these include the protection of children in jeopardy, no discrimination in services because of economic status, the adoption of case review systems, Federal support for adoption information exchange programs, guarantees of the confidentiality of records, uniform adoption subsidies to be vested in the child, including Medicaid benefits for pre-existing conditions, training for child welfare workers, adoptive parents, and post placement counseling. We also support legislation to permit voluntary placement of children in foster care with Aid to Families with Dependant Children (AFDC) funds with the consent of parents or guardian.

FOOD NUTRITION PROGRAMS

The overwhelming Congressional support for school lunch and child nutrition legisla-

tion, over the President's veto, was heartening. We will continue to monitor this program to ensure that regulations and program guides are consistent with Congressional intent. The APC will work to ensure that any changes in food stamp legislation will be to the benefit of those in need of such assistance.

SOCIAL SERVICES AMENDMENTS—TITLE XX

The APC firmly believes in strong Federal standards in Federally funded child care provided under Title XX. We are opposed to any relaxation of standards, or delays in enforcement. To assist the States in meeting these obligations we heartily endorse S. 2524, the Long-Mondale bill, and will work for its passage. We also believe it is unrealistic to require States, in 1976, to stay within a spending ceiling imposed in 1972. The ceiling should be done-away-with or its level increased or raised. We are unalterably opposed to the Ford Administration's proposal to make social services a bloc grant system with no required State match. Such a proposal, if enacted, would mean a 25% reduction in aggregate dollars spent on such services. In addition, the proposal would eliminate any Federal standards or requirements in the spending of Federal money. This, we believe, could only lead to dangerous situations for children.

FAMILY PLANNING

The right of families to plan for and space the number of children they desire is a fundamental goal of the APC. The action of Congress in overriding President Ford's veto of this program is to be commended. We have urged in the past, and will continue to support, increased appropriations in this field. We must go beyond the 22 million women currently being served. APC will support the development of a range of safe and effective means of family planning and contraceptive methods and the comprehensive availability of all methods to enable families to achieve their family size goals.

PUBLIC EDUCATION

With shrinking financial resources at the State and local levels and increasing taxpayer resistance, the APC believes, with the National Education Association and other education organizations, that the Federal government must assume its obligation to provide adequate funding for public schools. The Federal government has a demonstrable national interest in providing quality education for all. The APC continues to support existing categorical aid programs, such as compensatory education, innovative services, vocational education, higher education, assistance to the handicapped and gifted, bilingual and Indian education. It also urges that the appropriate committees hold oversight hearings on the administration of these categorical aid programs as well as oversight on the enforcement of anti-discrimination requirements in Federally assisted programs under Title VI of the Civil Rights Act of 1964.

SUPPLEMENTARY SECURITY INCOME (SSI) FOR CHILDREN

Title XVI of the Social Security Act should be amended to permit otherwise eligible children in public non-medical institutions to receive the full SSI entitlement on the same basis as those in comparable private institutions.

Additional outreach activities should be mounted to assure that families of eligible disabled children in their own homes are advised of their rights to SSI, and assisted in applying.

An amendment to Title XVII will be sought to mandate referral of SSI children to appropriate health, social and educational serv-

ices (Dole bill). The current low-enrollments in this program make it more imperative that outreach be done and eligibility requirements be changed. The APC will also work to change current eligibility regulations which are unduly harsh. We support a proposal that would deem a portion of the family's income to be the child's rather than the entire family's income.

HANDICAPPED CHILDREN

In November 1975 Congress passed a bill for the public education of the handicapped. We shall support all efforts to get the legislation funded.

AID TO DEPENDENT CHILDREN

Improvement of provisions for needy children and their parents under the Aid To Families With Dependent Children (AFDC) is of major importance at this time of rising prices; increasing unemployment and other sources of growing need. While a Federal program should be the goal, at the very least Federal funds should be conditioned on minimum State standards, increases related to rising costs of living, and wider eligibility including mandatory provision for need due to unemployment. We also support a change in Federal regulation that will require eligibility of all needy pregnant women.

NATIONAL HEALTH INSURANCE

The APC is committed to enactment of comprehensive national health insurance. It is our view that the legislation must include services to pregnant women, infants and children as well as the full range of contraceptive and family planning services.

CHILDREN'S HEALTH PROGRAMS

The APC strongly believes in enhancing existing Federal programs in the area of children's health. Specifically, we are committed to the extension of the Title V Maternal and Child Health program. Only 2 States are currently offering all mandated services and nationwide 83 projects exist where 253 are required. The Administration has severely restricted the staffing of this program over Congressional objections. We shall work to restore the necessary staff positions.

The APC also believes that programs for children under Title XIX, The Early Periodic Screening, Diagnosis and Treatment program (EPSDT), offers the best hope for preventive medicine for children. We shall continue to work with the Administration to ensure that this program is in place in all States and will work with Congress on any necessary legislative changes. We view with favor any attempt to earmark funds for children in broad range health programs.

JUVENILE JUSTICE AND DELINQUENCY PREVENTION

Recent crime statistics show that crime by young people is increasing faster than crime among any other age group. It is appalling that in light of this, the Ford Administration in FY '76 asked for no appropriations for this program. Congress did appropriate some money and the APC supported this. We shall work to ensure the integrity of the Juvenile Justice Act, and that this program continues to receive needed funds. We shall also work to ensure that States and local governments live up to the law as it regards prevention, diversion from the traditional juvenile justice system and alternatives to inappropriate institutional care.

CHILD LABOR

The APC has long advocated protective child labor legislation. Attempts have been made in the past, and will likely occur again, to exempt some areas from the provision prohibiting children under 12 from working

in the fields. We shall oppose all such moves. Strict enforcement by the Department of Labor is necessary and we will work to see that they enforce the law.

UNICEF

Because of recent actions of the United Nations, many in the United States are questioning the U.S. commitment to the world body. The APC will work to make sure that the United States contribution to UNICEF will not be cut and reiterates its support for the life sustaining work of UNICEF. The APC will work for full funding of the \$20 million authorization for each of the next two years. We deplore the intent of the request of the Ford Administration decreasing the U.S. contribution to UNICEF.

TEENAGE PREGNANCY

The APC applauds the initiatives in this field by Senators Bayh and Kennedy. Teenage pregnant mothers are in high risk situations. Over 800,000 teenagers gave birth last year and the number is rising. Teenage pregnancy is the concluding segment in a cycle of low birth-weight babies, whose mothers have little education and whose future is bleak.

CHILD CARE AND TAX REFORM

In March, 1975 the Senate passed legislation allowing child care deductions from personal income tax. In December, 1975, the House passed legislation allowing a tax credit for 20% of child care expenses. In each case, the other body rejected the provision because of time or parliamentary problems. In 1976, the APC will work to get the House provision passed again by both Houses.

ATLANTANS HELP THE BLIND IN KENYA

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. YOUNG of Georgia. Mr. Speaker, the International Eye Foundation in Washington, D.C., has conducted several health programs which successfully implement the congressional mandate in the area of foreign assistance. As a result, Dr. and Mrs. Randolph Whitfield, IEF volunteers from Atlanta, are presently directing the only ophthalmological medicare program in Kenya. This facility which serves more than 11 million Kenyans, has introduced valuable knowledge to the area, improved the standards of health care, and restored vitality to the lives of many Africans. The International Eye Foundation, which has sponsored such humanitarian efforts with admirable stamina and under low expenditures, is commended for the medical and diplomatic accomplishments that have ensued. The Atlanta Journal and Constitution magazine depicts this achievement through the following article:

ATLANTANS HELP THE BLIND IN KENYA

(By Suzanne Whitfield)

In the clear light of an African dawn, Randolph and I set out on foot for the hospital. As we walked we watched the clouds lift from maize-filled valleys to conceal the glaciated peaks of Mt. Kenya that rise 17,-

000 feet above the Laikipia plains into an equatorial sky. Mud-red dogs barked and cocks crowed. Wisps of eucalyptus and cedar smoke were rising through the roof thatch of huts along the way and the air smelled of this wood smoke, mud, cows, and greenness.

When we reached the clinic at the provincial hospital, Muriuki was waiting for us, warming himself in the pale morning sun. I sleepily greeted him in Kikuyu. "Nyatia riu?" "Niwega muno," he replied with a smile on his face as he opened the door of the land rover for me to climb in. Today the mobile eye unit was going to Kerugoya, and even though I have been working here for more than two years I still feel a tingle of excitement when we set out.

As I sat in the rover while the team checked supplies and loaded the heavy wooden safari box, I daydreamed back to our last days in New York City. I saw myself in our dark westside apartment wiring together old steamer trunks that held only essential belongings: clothes, surgical instruments, medical books, a shortwave radio, camera, dark-room equipment and camping gear. We were preparing to take a freighter voyage to Kenya and to begin work there for the International Eye Foundation and the Kenya Ministry of Health. We would help put into operation a mobile eye unit program that would serve the four million Kikuyu, Wameru and Waembu people who live around Mt. Kenya.

Both Randolph and I grew up in Atlanta. We went to Lovett and Westminster. Randolph went off to Princeton and the University of Virginia Medical School. As a freshman I started at Wellesley College but I soon married Randy and graduated from the university the same day he graduated from the medical school. For the next five years I taught kindergarten in New York, while he specialized in ophthalmology.

During those years of wild subway rides, walks in Central Park, museums and evenings with friends, we dreamed and fancied about a mobile medical unit of some sort in a faraway place. Just to make sure that I would be on board when the time came to go, I took home-study courses in ophthalmic nursing and during summer months, worked in the operating room and clinic where Randy was training.

Dreams and two years' worth of letters and conversations finally paid off when Randy met Dr. J. H. King of the International Eye Foundation in Washington, D.C. The IEF was begun as an organization to arrange short-term exchanges of medical students between the United States and lesser developed countries. Randy, however, would be an experimental long-term fellow—a doctor who had finished his specialized medical training and wants to work outside the United States for a few years.

Our base was to be Nyeri, a small Kikuyu trading center 100 miles north of the capital, Nairobi. I can vividly remember the long truck ride upcountry and all the questions that were in my mind: Will I like it? Will it be green? Will our house be made of mud and wattle? Will there even be a house?

Just outside of Nairobi the land was mainly dry rolling hills covered with acacia scrub. Each mile closer to Mt. Kenya, the land became hillier and a little greener. The scenery became incredibly beautiful. The land lay in a series of ridges and steep ravines cut by rivers hurrying down from the surrounding mountains.

The overwhelming color was green. The short rains had just begun and even the shoulder of the road was sprouting maize and bean plants. The steep slopes, as well, were mosaics of vegetables and the rivers

were fringed by chartreuse banana trees. Strange-shaped trees and thatched huts dotted the ridges.

The deep sky was puffed with billowing clouds, visible to the point where they fell below the horizon. I felt high . . . and I was. The altitude was just over 6,000 feet as the old truck lumbered into Nyeri itself.

Far from being the quiet country town that we had expected, Nyeri on a Saturday afternoon is almost bursting at the seams. Huge country buses, weather-beaten land rovers and Peugeot taxis made progress along the street a pretty tricky affair. I had plenty of time to study the multitude of open-fronted general stores that lined the way. I now know that they all stock exactly the same goods: sugar, tea, coffee, maize meal, curry powder, drugs, blankets, seeds, soap, dress material, tobacco and matches.

We also passed a large fenced-off open space that serves as the municipal market. Three days a week women from the surrounding countryside carry in huge loads of fresh produce, supporting well over 100 pounds on their backs, held by a leather strap around their forehead. They unload and sit behind the displays of food that they have arranged on burlap sacks laid on the ground. They come to sell. But most of all they come to enjoy a day of companionship and gossip.

Now when I need something that is not in my own garden I do my shopping here. I quickly learned enough Kikuyu to know that you get six bananas for "ithumunt" (7 cents), that you can get pumice stone to shave your legs with and the dried insides of a squash to wash with. There are spinach, green peas, tomatoes, cabbage, kale, collards, dried corn and beans, potatoes and onions.

Eventually we parked the truck by the Provincial Headquarters where we went to find out about government housing. We both were apprehensive because we had been warned that nothing would be available. But luck was with us, an old house on the edge of town had been vacated that same day. We climbed back into the truck and as we made the last short part of our journey, I wondered where those 10,000 miles would finally lead us.

We soon turned into a muddy drive and I was delighted with what I saw. Set in the middle of a four-acre compound, obscured by chest-high weeds, was a rambling wooden structure with a red corrugated tin roof. A long veranda running the full length of the house faced the snowy peaks of Mt. Kenya. Built in the early century by the British Colonial Government, it now looked like a deserted rec hall from summer camp memories.

The trip was over. But my working days were not. I had no idea how much I would have to learn in order to set up house. How do I live without a refrigerator? How do I make mayonnaise with a fork? Will the chickens come back if I let them out? How deep should I plant carrot seeds? How do I do the laundry in the bathtub?

That last question was answered after my first load of stiff Levis, thick towels and giant bed sheets. We took on Gichohi as a hired hand—and a strong one, too. He dug a trash pit, turned over a plot for the vegetable garden, started a compost pile, built fires for hot water, slashed down the tall weeds, washed and scrubbed the house and told the rats to "thiti nawega."

When the house was somewhat under control, we went down to the hospital which was to serve as the center of operations for the mobile eye unit. The hospital has good facilities: operating room, X-ray machine and simple, clean wards with 250 beds. However, the eye clinic was a bit of a surprise. We found it by dodging our way beneath dozens

of lines of drying bedclothes, down a grassy slope behind the hospital complex to a wooden shed originally planned as a food storehouse. The middle room in the shed had been cleared of its cabbages and corn, and on the door "eye clinic" had been written in ballpoint on a tiny piece of adhesive tape. Crowded around the door, a few on benches but mostly on the ground, were some 50 patients waiting to be seen.

As we entered the room I took a mental photograph: white pasteboard walls, sawdust on the floor, a bucket of wash water in one corner with a towel and soap nearby, an examining table and a small folding camp table. Seated on a stool near the door was the Kikuyu medical assistant, Charles Karugu. He was examining a small girl's eye, using a flashlight. When he saw us, he stopped what he was doing and greeted us warmly. "Welcome to Nyeri. We're so glad that you have arrived safely."

He then introduced us to the other two members of the team—Gathua, the driver, and Muriuki, the general assistant. I shook hands with Muriuki, a tall man about my age. "Ore mweiga," he said. I smiled, figuring that it must be a Kikuyu greeting. I tried not to stare but I knew that before they had been chosen by Karugu to be members of the eye team, they both had been subsistence farmers living in thatched huts in the hills outside Nyeri. Now it would be my job to train them to be sterile nurses, to take care of the delicate eye instruments, to prepare a sterile surgical tray and to assist the surgeon.

It would be Randy's job to train Karugu, an experienced medical assistant, to be an astute ophthalmic clinician and to do major eye surgery. What fun. We both were sure that we would learn as much as they would.

Gathua slammed the back door of the rover and woke me from my memories. Randy, Karugu and Muriuki climbed in and we were off to Kerugoya.

The idea of a land rover rigged up as a medical unit bumping through the African bush had filled me with excitement. In reality, such a unit is not just exciting but the most practical and the least expensive way to deliver rural eye care. When you consider that there is a doctor-patient ratio of 1 to 50,000 in rural Kenya, it becomes apparent that someone besides a trained doctor will have to do some medical work. The African medical assistant is the answer.

The idea of taking a mobile unit to the people came about because of the particular conditions existing in Kenya. First, there is a population of about 11 million people who live in areas where travel and communications are difficult. Second, there are only two ophthalmologists who work in the rural area. Third, the incidence of blindness is 10 times higher here than in the United States. And, more than 80 percent of this blindness is either preventable through improved hygiene or curable through surgery and medical treatment.

Randy is in charge of three of the six units in Kenya. Each unit is composed of three Africans, all belonging to the tribe which lives in the area that the unit serves. This is most important because there are 30 major and 40 minor tribes and each has its own history, language and ways of living.

Although based in a rural hospital, each unit is self-sufficient. Each has its own land rover, medical supplies and instruments. Everything is packed into a sturdy, dust-proof wooden box and unpacked at the clinic location. The empty box then serves as a table. Because frequently there is neither electricity nor running water at the clinic, the team carries its own medicines, water, instruments, camping gas sterilizer, sterile

gowns and drapes and has its own surgical light—a hand-held car spotlight that runs off the rover's battery. In addition, it carries food and camping gear when necessary.

Mt. Kenya is the visual and physical focal point of our eye-unit safaris. As we travel around and down the radiating arms of the old volcano, the scene changes from a lush forest filled with the smell of leaf mold, juniper, cedar and olive to black lava flows, umbrella thorn trees and gazelles grazing on golden plains.

Since Nyeri is so close to the mountain, whenever Randy and I have a chance, we pack our backpacks and head up to the peak area for a few days. With increased altitude the forest gives way to feathery alpine bamboo, then opens onto tussock grassland that is dotted with wild gladioli, lobelia and giant heather. Even though we are on the equator, as we hear the top at 16,000 feet we drink from cold, crystal clear tarns and ascend snow-covered glaciers. Sitting atop Pt. Lenana I can look in a circle at all the places that we visit for clinics.

Our trip today takes us around the south end of the mountain on a red dirt road that winds along ridges and down across fast streams. The countryside has high rainfall and is among the most fertile on the continent. Fields that line our way are being cultivated by women with pangas, a machete-like instrument. Old men in long ragged coats are watching their cows and goats graze along the edge of the road. None of us can decide if the livestock are more of a menace to Gathua than are the wildly painted country buses that lurch ahead of us, top-heavy with chairs, bicycles, chickens and baskets, spewing out clouds of impenetrable black exhaust.

As clinics are held regularly, word spreads, and often more than 200 people walk for miles along cattle tracks, down dirt roads and across meadows to attend. Frequently, blind old people are led in by their grandchildren. Once an almost blind Somali woman appeared at the Meru clinic and was signed up for cataract surgery. Only when it was time for her to go home did the team, who do not speak her language, discover that she had walked in alone from Mandera—300 miles across the desert. Upon her return she became a living advertisement and now each week one or two lone Somalis wander into Meru looking for the "daktari ya macho" (eye doctor).

In the early days, attendance at the Kerugoya clinic was so poor that Karugu had considered not going there any more. Wachira Warithi changed all that. When we arrived one day he was sitting in the grass outside the clinic door. Obviously he was an old man but he had an air of strength and importance in his bearing. He wore a brown blanket toga style and his long stretched earlobes drooped nearly to his shoulders. When his turn came he stood in the middle of the room, his walking stick in one hand and the Bible in the other, and sang a hymn in Kikuyu . . . "ask and the door will be opened unto you." He told Randolph that if he could see again he would bring all the blind people of his village to the clinic. It turned out that he was an important chief and had six wives and countless children. He was true to his word. Ever since, we have had more than enough people waiting for us there.

Kerugoya was where I met Koye Tortora. She is a young Borana girl who had been blind with congenital cataracts ever since she could remember. Her people live in the arid country near Isiolo. They herd cattle and live on a diet of blood and milk. They normally do not seek medical help but for some unusual reason Koye's father brought

her to the Isilo health center. The medical assistant just happened to know Karugu and convinced the father to have the girl driven by a friend of his to meet us at Kerugoya. She arrived from the hot desert dressed only in a piece of green material. As no one spoke her language, she was the most trusting soul that I have ever seen. For more than two months, while Randy operated on both eyes, she stayed alone in the hospital and never saw her family. Happily when she went back down to the desert's dusty face, she was wearing the piece of green material and a pair of cataract glasses. Only then did she see how far from home she had been.

This day when we arrived at the clinic there was a man waiting who had been in the forest setting traps and had suddenly come upon a cape buffalo. The buffalo proceeded to chase him into the cruel "wait-a-bit" thorn bush and one long thorn pierced the cornea of his right eye. Both Karugu and Randy examined his eye and could see that the aqueous was leaking out but they couldn't find the tear. Since Randy had just been donated a portable operating microscope, he was happy to admit Maina for surgery so he could try it out. Using the scope he hoped that he could see where the cornea needed sewing.

The next morning, surgery day, Gathua drove the rover up to the room where we would operate, connected the spotlight to the battery and threaded the cord in through the window. In the meantime Muriuki and I had started scrubbing down counters, stools and surgical trays. We put the instruments into the portable sterilizer. The drapes were arranged and we set out saline, spirits, tape and tubes of ointment. All was ready.

Gathua walked in with Maina and helped him climb onto the operating table. Karugu gave the local anesthetic injection. During the operation Maina lay so still that even his toes did not wiggle. Randy easily located the tear with the scope and we all had a look. Things were going along just fine until Muriuki who was taking his turn as the sterile nurse announced that he couldn't find the special suture that Randy needed to do the sewing. These corneal sutures are thinner than a single hair on the head of someone with very fine hair and I had warned Muriuki to be careful with it. He moaned that he had been careful but as he put it in the needle holder, "... it ran away." He then decided that if the doctor was sewing up a tear that no one could see he would have to use a suture that no one could see either. Sadly, that wouldn't work so we opened a new package.

After the day's surgery was over, just like a carnival, we packed up and headed back to Nyeri. We were all tired and hungry so when Gathua spied a small hotel he stopped and got my thermos filled with "chai," a smokey tasting mixture of tea and milk. He also bought bananas from a lady who had set up shop on a wooden crate in the shade of a wild fig tree. We then drove to the Thiba river and got out to have afternoon tea.

As we sat on the bank we watched cattle enjoy a cool drink. Breezes of orange and white butterflies danced around and unseen birds called. As the sun dropped rapidly to the horizon, slanting beams illuminated tiny pink wild flowers that were hidden in the weeds along the river.

I closed my eyes and wondered, "How can I be so lucky?" I realize that Randolph and I are not in Kenya just to get a job done, but rather to work with a different people and to teach them a skill that we feel is valuable. In exchange, we have the opportunity to live in a beautiful country and a

chance to slow down and pay real attention to being alive.

SMALL BUSINESS REVITALIZATION ACT OF 1976

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. FORSYTHE. Mr. Speaker, I joined my colleagues on the House Republican Task Force on Antitrust and Regulatory Reform in introducing legislation entitled the "Small Business Revitalization Act of 1976." This proposal is designed to lower taxes and increase investment incentives to help smaller enterprises survive and create more jobs.

Of the nearly 13 million businesses in America, 97 percent can be considered small. These 12.6 million small businesses account for more than one-half—52 percent—of all employment and about one-third of the entire GNP.

Too often, we forget the vital role small business plays in our economy: creating jobs for a growing work force, and developing new ideas and products. We must remember that when a great number of people own a small piece of the market pie rather than a few holding very large portions, prices are held down, jobs are provided and a wide variety of foods and services is assured.

Today inequitable taxes, Government overregulation, incredible paperwork, unavailability of capital, high interest rates, high energy costs, recession, and inflation combine to threaten the survival of small business in America.

In order to ease the strain on small, struggling entrepreneurs, to encourage others to go into business for themselves, and to resist the oligopolistic tendencies in our economy, the House Republican leadership and the task force on antitrust are introducing legislation to "bring equity to the tax system" for small businessmen.

In keeping with the spirit of a recently adopted Republican legislative agenda—which provides the American people with a solid notion of what a Republican-controlled Congress would seek to accomplish—this proposal attempts to ease four crucial difficulties facing small business.

First, we propose a graduated investment tax credit that dramatically increases the tax credits allowed for the smaller levels of capital investment. Presently, our credit system is of greater benefit to large corporate entities than to small business concerns. For example, 352 corporations with an income over \$25 million who filed for a credit in 1968 received more than one-half of the total credit given that year. And one million of the small companies which earned less than \$25,000 received only 5 percent or less of the total credit given. Our proposed graduated investment tax would allow tax credits of up to 25 percent for

investment made on depreciable property purchased in furtherance of the small business. Property of this type could range from typewriters to tractors.

Second, our proposal revises the corporate income tax schedule to substantially reduce the income tax charged against the lower levels of income. Under the present tax system, the small businessmen carry a disproportionate tax burden. The intent of the law is for all to pay a 48-percent tax on income in excess of \$50,000. However, foreign tax credits and investment tax credits effectively reduce the amount paid by the large multinational corporations. For example, some oil companies pay no U.S. taxes at all. Our proposal will provide a tax schedule which will change the percentages on taxable income up to \$70,000, with 48 percent on taxable income over \$70,000.

Third, we recommend altering the capital gains tax so as to encourage small business owners to sell to other small investors—say their own employees—without penalty to themselves. The present capital gains structure rewards small entrepreneurs for selling to large conglomerates in exchange for income-producing securities. In the past 24 years, for example, market concentration has grown; the population of self-employed businessmen has been reduced from 10.7 to 7.1 million—a 33 percent decrease. Our proposal would allow an individual who sells or exchanges a small business property and then reinvests in other qualified small business property within a year to pay capital gains taxes only on that amount of the sale that exceeds the amount of the subsequent purchase.

Finally, we propose a change in estate tax payments so as to allow Federal estate taxes to be paid out of the income of the business over a long period of time. From my own 35 years of experience as a small businessman, I am truly aware of the necessity of estate tax revisions to enable the passing of small business from one generation to the next without the drastic erosion of capital caused by our present estate tax structure. Under our proposal, no tax payment would be required for 5 years on the first \$300,000 of the estate, and then 20 years would be allowed for full payment at an interest rate of 4 percent. Between \$300,000 and \$600,000 in estate value, there would be a dollar-for-dollar reduction in the amount qualifying for the 25-year moratorium with amounts in excess of the base figure subject to the current payment rate.

In summary, then, our proposed Small Business Revitalization Act would provide:

A graduated investment tax credit that increases the credit allowed for smaller levels of capital investment;

A revision of the corporate income tax schedule to reduce the tax levied against lower levels of income;

Changes in the capital gains tax to encourage small business owners to sell to other small business concerns without penalizing themselves whenever they do decide to sell their businesses;

A change in estate tax payments so as to allow Federal estate taxes to be paid out of the income of the business over a long period of time.

The four provisions of this legislation do not provide all of the answers to small business problems. They do focus on the crippling inequities in our tax system, however, and as a result are designed to provide ways to give the small businessman a chance to survive.

Small businessmen do not want the Federal Government to regulate them out of existence. What they do want is the kind of break that the Government can provide. They want relief from the burden of business and estate taxes. Everyone gives lipservice to helping the small businessman. I believe that this initiative of the House Republican Task Force on Antitrust and Regulatory Reform is a good start toward going beyond the rhetoric into good, solid proposals of law which will insure a free, competitive marketplace in which all elements—big business, small business, and the consumer—are assured equal treatment.

PEANUT REFORM ACT OF 1976

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. PEYSER. Mr. Speaker, today, I am introducing the Peanut Reform Act of 1976 which will end the antiquated peanut subsidy program at a savings to the taxpayers of \$810 million over the next 5 years.

The peanut program is one of the most outrageous Government subsidy programs in existence. It is outdated, unjustifiably costly, wasteful of our Nation's valuable farmland, inequitable, and inflationary. My bill would phase out the entire program by 1980.

The following is a point-by-point summary of the Peanut Reform Act of 1976:

First. It establishes a target price program for 1976, 1977, 1978, 1979, and 1980 crops of peanuts. The target price level is 15 cents per pound or \$300 per ton.

Second. It establishes a loan program for those eligible producers who comply with their allotment. The loan level is 12 cents per pound or \$240 per ton for the 1976 and 1977 crops.

Third. It has a minimum allotment of 1 million acres for the 1976 and 1977 crops; 660,000 acres for the 1978 crop; 330,000 acres for the 1979 crop and zero acres for the 1980 crop.

Fourth. It would provide open-end planting and remove the penalties for marketing over and above this allotment or without an allotment.

Fifth. It provides a set-aside program as does the recently passed Rice Act and the Agriculture and Consumer Protection Act of 1973. It sets up deficiency payments, if needed, the same as the above two bills. It allows for the transfer by lease or sale of allotments.

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Sixth. It reduces the cost of the present program from \$163 million in CCC net outlays to zero dollars in 1980. Consequently, it would save \$810 million over the next 4 years.

Seventh. It phases out the present program effective December 31, 1980.

It is inconceivable to me, in a time of inflation and extreme concern about increased Government spending, that the present system be allowed to survive. It is time that the fraud of the peanut program be uncovered and the free economy be allowed to function to the benefit of every farmer and taxpayer in this country.

VOICE OF DEMOCRACY

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. LUJAN. Mr. Speaker, very soon now a number of young people from across the United States will be coming to Washington to participate in the final competition of the Voice of Democracy contest which is sponsored by the Veterans of Foreign Wars and its Ladies Auxiliary.

I am proud to say that New Mexico will be represented in the competition by Steve Blair of Los Alamos, N. Mex. Steve, who is an honor student at Los Alamos High School, is president of the school speech team, and captain of the debate squad.

It is my pleasure to introduce into the RECORD the text of the speech which Steve made in winning the New Mexico State competition of the Voice of Democracy contest:

1975-76 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

(Speech by Stephen Blair, New Mexico winner)

All across America, Americans are starting to celebrate our bicentennial, our country's two hundredth birthday. We as Americans are taking our country's birthday as an opportunity to reexamine our country and our ideals. When our forefathers set forth upon this continent a new government they created a new country, a new way of life, and of course, a new government.

Our government, as we have just seen with the Watergate affair, is not perfect. But it is also true that although our country is not the only country where a Watergate might happen, we live in the only country where such an event would come to the open. At the same time, we live in the only country where such bumper stickers as "Jail to the Chief" and "Executives Deleted" are permitted. Our government is in no way perfect and yet we have the means to make it better.

Our country, the United States of America, has grown from its small and rural beginnings to become one of the greatest countries in the world. But as Coca-Cola commercials continually point out on our television sets and radios, our greatest points of interest are here at home. From sea to shining sea, our country is a so-called "tossed salad" of people. The simple reason for this is that we have the single greatest collection of different people in the world.

The American way of life is unique in the world. We as Americans take things for

granted that many people would never dream of.

The simple reason for this is that we are Americans. The last four letters of the word American are I C A N—I CAN. That is the reason for the success of Americans and America. From our forefathers to all the Americans today, we simply have. It has been the ingenuity and perseverance of all Americans following the ideals of our founding fathers that have done all this for us.

Our Bicentennial Heritage gives us all a chance to review our history. Whether we read the Declaration of Independence, visit battlefields of the Civil War or relive the first landing of man on the moon, we are remembering the words and actions of our forefathers.

The founders of our country set forth new principles and ideas. They spoke of freedom and equality and a chance for all men to govern themselves. Through our history, the people who are remembered are those that strove to keep these ideals and further their existence in our world.

Although we are in no way perfect, we are always working to better ourselves. We Americans learn from our mistakes, such as Vietnam, Watergate, and Attica, and try to change ourselves for the better.

It has been said that such men as Thomas Jefferson and George Washington really did not know what they were doing and may have done more harm than good. And yet America is still here and we are still proud to call ourselves Americans.

What does our Bicentennial Heritage mean to me? It means that I have the chance to remember the past of my country. From the first settlements in Virginia and Pennsylvania, through the colonization of the West, past two World wars, the cold war, and the recent past, America has grown. I can look at the past of our country, reexamine the ideals of the first leaders we chose, and see how America has tried to meet those ideals. Our history is both bright and dark, we have done both good and bad, we have good times and poor.

Yet all through this we as Americans have tried to change for the better.

RUTH HAMMELL APPOINTED TO ASSAY UNIT

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. BYRON. Mr. Speaker, recently President Ford announced the appointment of Mrs. Ruth V. T. Hammell, of Cumberland, Md., as a member of the 1976 Annual Assay Commission. I want to congratulate Mrs. Hammell on her appointment and to wish her well in this undertaking.

The Assay Commission was established in 1792. Meetings are held in February at the Philadelphia Mint. Members examine and test the weight and quality of coins provided them by several U.S. mints.

Mrs. Hammell has been active in the numismatic field for 25 years and operated the coin shop in the lobby of the Fort Cumberland Hotel the past 6 years. She is a member of the American Numismatic Association and has been a speaker at the group's annual national convention.

ARMS SALES CEILING A MUST

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. BONKER. Mr. Speaker, the statistics on American arms transactions with foreign governments are sobering, and they make the strong new provisions in the security assistance bill we are considering today all the more compelling.

As reported by the Democratic Study Group, the United States between 1950 and 1975 itself distributed over \$85 billion in military articles and services, and \$17 billion in security supporting assistance which often translates to military aid, since its purpose is to alleviate the economic burdens of a country so as to make its resources more available for military spending. An additional \$18 billion went to Indochina.

Our arms transactions have become especially dangerous since 1970, for two primary reasons. First, the dollar figures have skyrocketed. They have totaled \$35 billion in just these 6 years, they reached \$12 billion in 1974 and they are estimated to exceed that this fiscal year. Second, they have increasingly taken place outside the jurisdiction of Congress. Although 85 percent of the 1950-69 amount was authorized by Congress through programs of grant aid and credit sales, almost that same percentage now skirts Congress by way of cash and commercial sales. In 1975, for example, only \$584 million was allocated in grant aid and \$300 million in credits; a whopping \$9.2 billion was in cash sales and \$602 million in commercial sales.

I want to call attention to editorials in both the New York Times and Washington Post which appeared this morning in strong support of the provisions on arms sales embodied in the security assistance bill.

The Times points out that—

International arms traffic . . . is as much the responsibility of the pushers as the addicts.

The Post concludes that the provisions would nicely allow for congressional assertion but not interference.

The editorials follow:

[From the Washington Post, Mar. 3, 1976]

CONGRESS GETS INTO ARMS SALES

No bill of deeper potential importance to American foreign policy is likely to reach Congress this year than the arms export control act, a Senate-passed measure due to be voted on in the House today. It would give Congress the tools to share control with the President over U.S. commercial arms sales. These topped \$9.5 billion in fiscal 1976 and may now be leveling off at a somewhat reduced figure but are still immense. They are, as well, a key element in much American diplomacy and therefore in the political and economic health of the world. Decisions on which countries will be allowed to buy which kinds of American weapons—and at what rates and under what conditions—comprise a very large part of American foreign policy. Particularly has this been so

since the oil-price increases of 1973 brought new billions to a few governments eager to build up their pride and power by arms.

In trying to catch up some three years later, Congress is relying chiefly on provisions requiring the President to give notice of prospective sales and assigning Congress certain veto powers over particular transactions. Thus would the essential principle of accountability be established. Presumably, an administration would be more careful to plan transactions—readier to justify its ostensible foreign-policy purposes—if it knew Congress was looking on hard. In turn, of course, legislators would have the occasion—and the responsibility to learn more of the broad and complex political factors touching arms sales, and not just to hone in singlemindedly on one or another aspect of special personal or political interest. Other provisions of the House legislation are aimed at halting the bribing of would-be foreign purchasing, and at keeping the United States from selling to countries that torture their own citizens, or discriminate on a religious or other basis against Americans or harbor international terrorists.

It is here, in the area of policies that other nations claim as their domestic prerogatives, that the administration most oppose this bill. For it is one thing for the Congress to assert a right to share in arms-sales decisions and another to impose its own standards of review. Since there is a consensus on neither the separation of powers between the branches nor the substance of policy, the new bill (if enacted) is bound to make arms sales a hot arena of Washington combat—a prospect no one can anticipate with equanimity. For this reason we think it would be wrong for Congress to write hard and fast policy standards. Adequate room must be left for political give and take in Washington, and for diplomatic flexibility—that is, for executive flexibility—abroad. Both the Senate and House versions seem to us generally to meet this crucial test.

There is, however, one particular case so clearcut that there is no good reason to permit any executive flexibility. It is unthinkable that the United States should continue to supply to Chile, a country facing no perceptible foreign threat, the means by which its current military leaders cruelly repress the Chilean people in order to stay in power. The U.S. government may feel it necessary to support the Santiago junta which—to its enduring shame—it helped bring to power. Other Americans have no similar obligation. The Senate closed the gaping loophole by which Chile can still buy weapons in America. The House should do the same.

[From the New York Times, Mar. 3, 1976]

UNITED STATES, PUSHER

The arms race between the United States and the Soviet Union accounts for 60 percent of the world's military expenditures, which are now pushing \$300 billion a year; but the other 40 percent may prove to be more dangerous.

Mutual deterrence has prevented a Soviet-American armed conflict for three decades. But wars in other places involving scores of nations—mainly in the developing world—have taken literally millions of lives since World War II. And military spending in the developing countries is now spiraling upward much faster than anywhere else, partly as a result of the large-scale supply of arms, including the most advanced technology, made available by the United States and other industrial nations.

While arms spending by the major nations increased about 45 percent from 1960 to 1975,

the developing countries almost tripled their expenditures to more than \$39 billion in 1974, measured in constant, inflation-adjusted dollars. A study by Ruth Leger Sivard, the former chief economist of the Arms Control and Disarmament Agency, reveals that military expenditures of the developing countries have increased twice as fast as the economic base to support them. They doubled in Latin America in this 15-year period and went up eight-fold in the Middle East.

The international arms traffic that has made this possible is at least as much the responsibility of the pushers as the addicts. The chief pusher is the United States, which sells more arms abroad than all other countries combined—with a staggering \$12 billion originally estimated for the current fiscal year, although the Pentagon now asserts that a 13 percent slippage is appearing. Major moral as well as political questions are raised by this munitions profiteering.

The time has clearly come for the United States to pull back from this increasing militarization of the developing world. The sale of arms for commercial purposes—to aid the United States balance of payments—is the most shameful aspect of the arms trade. The Congress for more than a year has had the right of prior review and veto over the bulk of American arms sales abroad, but it has asserted itself significantly only once. Now, major reforms have been voted by the Senate in the Arms Export Control Act of 1976 to tighten up and improve Congressional oversight. But that alone does not give Congress the will to act.

The House International Relations Committee version of the authorization bill, which is scheduled for a vote today, contains a major improvement over the Senate bill. It would limit the annual total of government-to-government and commercial sales of arms abroad to \$9 billion. It is not a big enough reduction, but it would constrain a program that now appears dominated by the determination to sell as much arms abroad as possible to almost any buyer.

That constraint, for the first time in years, would force the Pentagon and the State Department to take first steps toward the real reform that is needed: limiting sales to allies and other countries where important American foreign policy or security considerations are at stake.

That was the case when most arms exports were grants, paid by American taxpayers. It needs to be the chief guideline again.

HON. FLORENCE DWYER

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. DOMINICK V. DANIELS. Mr. Speaker, it is with deep regret and a special sorrow that I join in paying tribute to our former colleague, Florence Dwyer. Until her retirement in 1972, I had served my entire career with this great woman who I considered one of the most responsible public servants I have known.

Flo Dwyer was a champion of women's rights long before it became a popular issue. She stood firm in her resolve to demonstrate, by example, that women were entitled to an equal place in society, in politics, and in commerce. Certainly,

it was her example of competence that made it possible for me to support her cause of breaking down the barriers to women in public and private enterprise.

It is said that Flo Dwyer, a lifelong Republican, voted as often with the Democrats as with her own party. I think that characterization does not do her justice. As long as I knew her, Flo voted her conscience and never failed to tell the rest of us, Democrats and Republicans, when our actions did not square with that conscience.

When Flo Dwyer retired in 1972, the House lost a great legislator. When she died last Sunday, we all lost a good friend. Her legacy is the example of courage and decency which characterized her life and inspired the lives of those around her.

EXIT VISA REPRESENTATION LIST

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. EILBERG. Mr. Speaker, one of the tragedies of our time involves the great number of people in the world who are separated from their families by political boundaries which one or more governments will not let them cross.

At this time there are 604 individuals in 237 families who are trapped in the Soviet Union and who have relatives in the United States. These people, including several who are citizens of both the United States and the Soviet Union, want desperately to come to this country to be with their loved ones, and their relatives here are equal in their desire for reunification.

The names of these persons are contained on a "Representation List" which the State Department has been giving to the Soviet authorities since 1961. All of the persons on it have applied for exit visas from the Soviet Government.

There is no good reason why these people should not be allowed to come to the United States. Only the Soviets know why they are being held against their will and against the provisions of the Helsinki Declaration which the Soviet Union signed last year.

On November 12, I wrote to Secretary of State Henry Kissinger, asking him to personally bring up this matter with the highest officials during his next trip to the Soviet Union.

I am happy to report that I have been informed by the State Department that Secretary Kissinger did raise the issue of family reunification in general and the names on the "Representation List" in particular with the Soviet officials during his recent visit to Moscow.

It is now my hope that the Soviets will respond to our Government's request and to the statements it signed in Helsinki and permit these people to join their families.

CONGRESS NOT TAKING OVER CHILDREN

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. HUNGATE. Mr. Speaker, due to the relentlessness and false allegations of an unidentified group, numerous congressional offices are still being inundated with constituent mail regarding the Child and Family Services Act. I think my colleagues will find the following article from the Christian Science Monitor useful in responding to this large volume of mail:

CONGRESS NOT TAKING OVER CHILDREN
(By Robert P. Hey)

WASHINGTON.—Suppose you received an anonymous letter claiming that Congress might take away your authority to rear your children as you see fit—and give it to the government. Would you unquestioningly believe it?

Tens of thousands of Americans apparently have. From all parts of the United States they've been deluging members of Congress for several months with angry letters demanding that Congress reject this proposal. It is one of the heaviest, longest-lasting mail campaigns in many years.

It is also one of the most disturbing. For the anonymous letters on which it is based consist almost entirely of distortions and outright falsehoods. A careful examination of the congressional bill they attack shows no section of it would give control of children to the government, despite the anonymous flier's assertions that such a change "is becoming part of" the proposal. Further, a check of congressional sources shows no such change ever was contemplated.

On the contrary, the bill aims to aid many American families, especially the poor, by providing day-care facilities for children and health assistance. No family would be forced to participate in such a program—it would be entirely voluntary.

To several congressional sources the most disturbing element—with ominous overtones for the future—is the depth of Americans' cynicism about government and public officials as indicated by their automatic acceptance of the charges as fact. Several congressional sources familiar with the case believe only today's deep wellspring of public discontent makes many Americans ready to believe the charges right away.

Sen. Walter F. Mondale (D) of Minnesota, the Senate's chief sponsor of the proposal under attack tells this newspaper: "The polls would suggest a total distrust of politicians and government . . . [which] may have helped create an environment in which people are willing to believe almost anything—and [which] makes us all the less credible when we as members of Congress try to explain what the facts really are."

The irony is that the Mondale proposal—by the Senator's own admission—had no real chance of passage this year because it would cost more than Congress felt the government could spend in these difficult economic times. Under the proposal, sponsored in the House by Rep. John Brademas (D) of Indiana, \$150 million would have been authorized for the first year of the program, with costs rising to \$1 billion four years later.

But the mail campaign flooding Congress has entirely killed the modest hope of sponsors that they could gain congressional approval of some kind of compromise bill—one which would have begun providing more

money for health, nursery, and day-care aid than now exists. Although these protesting letters generally are based on misinformation, congressional sources say they have had an impact on Capitol Hill sufficient to scuttle the prospects for compromise.

Supporters of the proposal have not been able to find out precisely which groups are behind the unsigned letter campaign.

In part it is so persuasive because the fliers look official and well researched.

But most of the facts are not accurate. The fliers say, in the words of one, that a "charter of children's rights of the National Council of Civil Liberties is becoming part of" the proposal. But in fact this "charter" never has been connected with the proposal. It is not connected with any U.S. group but was drafted by a British organization, according to Sen. Carl Curtis who introduced the subject of the charter into the Congressional Record in 1971.

None of the "rights" the flier identifies as part of the charter—the right to sue your parents for punishment, or to refuse to take out the garbage—has ever been considered as part of the bill despite the allegations of the anonymous fliers.

Similarly, one flier charges that "the Congressional Record states" that what is at issue is whether parents or the government shall exert control over children and the family. This statement leaves the impression that the Congressional Record is an official voice of government. Actually, the Congressional Record is an all-inclusive record of everything said on the floor of the U.S. Senate and House of Representatives—and includes much material provided by members of Congress which was not said, but is printed in the publication anyway.

Sponsors of the bill say they cannot find any record of such a statement having been made in the Congressional Record. And if it was, it was either made by a member of Congress, or was written material which he had placed in the record—and thus is not official or unofficial government policy.

PERSONAL EXPLANATION

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. RINALDO. Mr. Speaker, unfortunately, I could not be present for yesterday's session of the House of Representatives. As my colleagues know, my predecessor in Congress, the Honorable Florence P. Dwyer, died on Sunday. She was one of New Jersey's finest legislators, and the outpouring of affection at her funeral, which I attended, attested to the fact that Flo was loved and admired by the people of the 12th Congressional District.

It was also my sad duty on Tuesday to act as pallbearer at the funeral of my uncle, Anthony D. Rinaldo, Sr., who died last Thursday. As a lawyer and civic leader, he was in a class by himself; he was a credit to the New Jersey Bar Association, to which he was admitted in 1937, and he served ably and resourcefully as a commissioner on the Elizabeth Board of Health and as counselor to the Elizabeth Parking Authority. He will be sorely missed by all of us who knew and loved him.

LAWYERS IN JEOPARDY: DANGERS OF DEFENSE

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. FRASER. Mr. Speaker, Matchbox is a publication of Amnesty International, USA. It chronicles the plight of prisoners of conscience all over the world. The title is inspired by the following story:

During the Final Days of World War II, a captured resistance member sat alone in a black prison cell, tired, hungry, tortured and convinced of approaching death. After weeks of torture and torment, the prisoner was sure that there was no hope, that no one knew or cared. But in the middle of the night the door of the cell opened, and the jailer, shouting abuse into the darkness, threw a loaf of bread onto the dirt floor. The prisoner, by this time ravenous, tore open the loaf.

Inside, there was a matchbox. Inside this matchbox, there were matches and a scrap of paper. The prisoner lit a match. On the paper there was a single word: Coraggio! Coraggio. Take courage. Don't give up, don't give in. We are trying to help you. Coraggio!

An article in the winter 1976 edition calculated to bring hope to a particular group of prisoners of conscience—legal professionals—is authored by two people associated with the University of Minnesota Law School. One, David Weissbrodt, is an associate professor. The other author, Tracy Lippert is a law student. The article points out that—

The American legal profession needs an active, organized voice to investigate and speak out when lawyers and others are imprisoned or tortured in violation of their fundamental rights.

A new Amnesty International Organization, "Legal Committee for Human Rights," has been established to do this and Weissbrodt and Lippert are active in it. Their article which follows, gives additional details:

DANGERS OF DEFENSE: LAWYERS IN JEOPARDY
(By David Weissbrodt and Tracy Lippert)

Suppose that you are a lawyer who has agreed to defend a client associated with an unpopular political cause. You receive anonymous calls warning of danger to your family if you continue to work on the case. You indignantly announce your intention to proceed with the defense and shortly thereafter your family is notified that you are in prison.

Susana Aguad, married and the mother of three children, is a lawyer in Argentina. A highly respected figure in legal circles, Aguad is well-known for her work for political prisoners and trade unionists. She was arrested in November 1974 and is being detained in Penitenciaría Numero 2, Villa Devoto, Buenos Aires, Argentina.

You are a judge and you make an unpopular decision to release political detainees:

Tawfiq 'Az'azi was born in 1939; chief magistrate at the Aden Supreme Court, he was called to the English bar in November 1966. In 1970 he went to the Yemen Arab Republic where he met the Minister of Justice of the People's Democratic Republic of Yemen, who persuaded him to return to Aden to resume his former position as chief magistrate, assuring him that he would come to no harm. On March 31, 1972 Tawfiq 'Az'azi disappeared from his flat in Aden. His disap-

pearance was apparently due to the fact that he had refused to convict and sentence some political detainees and had released them on the grounds that they had committed no offense under the penal code. Tawfiq 'Az'azi is believed to be still alive and in detention.

You are a law student who is active in several political organizations:

Jose Damasceno is a law student in Brazil. He is also a member of the National Union of Students (UNE), an organization which, although banned in 1965, has continued to meet secretly and to organize demonstrations against the military dictatorship. He was arrested along with 800 other delegates while attending a UNE convention in autumn in 1968. Damasceno has been reported to have been seriously tortured and his family has not been able to locate him since his arrest.

During this year growing attention has been paid to the plight of members of the legal profession throughout the world who have suffered arrest, torture, and prolonged detention for political reasons. Most recently, Amnesty International, an international nongovernmental organization devoted to the release of persons imprisoned for their race, religion, or politics, has issued a report on 89 members of the legal profession who are currently in prison or who have "disappeared" under suspicious circumstances. The 89 cases have arisen in such diverse countries as South Africa, Pakistan, Nepal, Gabon, Cuba, Brazil, Spain, Uruguay, Syria, Yugoslavia, Yemen, Chile, Haiti, Indonesia, South Korea, Singapore, and the U.S.S.R.

Since Amnesty International was formed in 1961, it has been estimated that the organization has assisted in the release of about 8,500 prisoners. The organization has relied primarily upon appeals by its approximately 60,000 individual members in about 60 countries which bring particular cases to the attention of the imprisoning governments and which call upon those governments to live up to the principles of the United Nations' Universal Declaration of Human Rights.

INTERNATIONAL EFFORTS HELP

People are often skeptical about the efficiency of international efforts and humanitarian appeals. Indeed, lawyers in this country seem to believe that because the world lacks a judicial system similar to that of the United States, such international efforts will be in vain.

To the contrary, the experience of Amnesty International, the International League for the Rights of Man in New York and the International Commission of Jurists in Geneva, Switzerland, has been that governments throughout the world have shown a remarkable sensitivity to well-documented expressions of concern about violations of human rights in specific cases. This is not to say that human rights problems have disappeared, but at least some prisoners have been released, some torture stopped, and some executions not carried out.

As professionals trained in advocacy, members of the legal profession in this country have a role to play in seeking the release of their counterparts in other countries. A first step has already been taken. On January 10, 1975, the Section on International Law of the American Bar Association expressed concern over reports of the arrest and detention of lawyers in an increasing number of foreign countries because of their representation of unpopular clients. In February of 1975, the A.B.A. House of Delegates empowered the President of the A.B.A. to request the United States Government, where appropriate, to bring to the attention of foreign governments the A.B.A.'s concern over the arrest, detention, or sentencing of lawyers for defending their clients.

Much more needs to be done. The American legal profession needs an active, organized voice to investigate and speak out when lawyers and others are imprisoned or

tortured in violation of their fundamental human rights. Far more attention needs to be devoted to the use of domestic litigation techniques to further international human rights goals in U.S. courts and administrative tribunals. For example, should South Africa, Indonesia, or the U.S.S.R. be permitted to export goods produced by convict or essentially forced labor into this country? 19 U.S.C. sec. 1307 forbids most such imports into the United States, but someone must investigate and present the facts and make the necessary arguments to see that the law is enforced. Similarly, should multinational companies centered in this country be permitted to engage in discriminatory hiring out of deference to the religious, racial, or political prejudices of foreign governments?

LEGAL PROFESSION AND HUMAN RIGHTS

Lawyers and law students could also use their talents in studying the legal and factual context of human rights violations in such countries as Uganda, Uruguay, and East Germany. This research could form the basis for other human rights advocacy, for example, using the UN Commission on Human Rights procedures for individual petitions or the Inter-American Commission on Human Rights procedures. Also, experienced lawyers are needed to serve as impartial legal observers of political trials. For example, two law professors from Berkeley and Philadelphia and a judge from California visited Chile to investigate political imprisonment, torture, and executions in that country. Their report may have contributed to altering U.S. foreign policy towards Chile, as well as informing the world community as to violations of human rights in that country.

Indeed, to be quite concrete, readers of this article might begin by writing a letter, asking that some inquiry be made into the basis of the imprisonment of the law student, lawyer, and judge mentioned above, to: Charles Runyon, Esq., Assistant Legal Advisor for Human Rights, U.S. Department of State, Room 5429, 2201 C Street, N.W., Washington, DC 20520.

Such a request for information from the State Department to the foreign governments might well help to secure the release of these people.

NEW COMMITTEE

Copies of such letters and requests for further information might be sent to the newly organized Amnesty International committee of lawyers and law students: Legal Committee for Human Rights, 2001 West 21st Street, Minneapolis, Minn. 55405.

As members of the legal profession—lawyers, law students, law professors and judges—we should begin to see that fewer of our fellow professionals languish in prison unjustly and, indeed, that the human rights of all persons are respected.

TWO HUNDRED YEARS AGO
TODAY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. WIGGINS. Mr. Speaker, 200 years ago today, on March 3, 1776, the Secret Committee and the Committee of Secret Correspondence of the Continental Congress instructed Silas Dean to go to France and secretly seek to purchase, on credit, such desperately needed supplies as clothing, arms, ammunition, and cannons. The colonies hoped to get French

assistance in their struggle because of that nation's hostility toward Great Britain. Having been driven out of North America by the British, the French were sympathetic to the cause of the United Colonies.

OCTOBER LEAGUE FIGHT BACK CONFERENCE: PART II: ADDENDUM

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. McDONALD of Georgia. Mr. Speaker, on February 5, 1976, I delivered a report in these pages on the National Fight Back Conference organized by the October League—OL—a Maoist Communist group which states in its internal documents—not in its public ones—that it is organizing secret cadre cells of "professional revolutionaries" to form a new pro-Peking Communist Party, "a fighting party, a party of insurrection," and is preparing to go underground and operate illegally to foment a revolution.

Documents from the Central Committee of the October League published in that report revealed that the Fight Back Conference was merely a tactical ploy to develop new cadre candidates for the Maoist party the OL intends to launch this year under the guise of organizing on economic issues related to the current recession.

Since the original report on February 5, several persons who attended the Fight Back Conference have encouraged me to supplement the February report with an addendum on persons attending the meetings. They stressed that while every person at the conference was not an OL member, they included large numbers of open and secret OL cadre, as well as persons being recruited through such fronts as the Communist Youth Organization, local Fight Back Committees, and the Southern Conference Educational Fund.

The attendance is quite interesting in that it reveals the inroads being made by the OL in the National Lawyers Guild, the Coalition of Labor Union Women, and in some Spanish-American and black groups.

While nationally active, the OL is principally active in the greater metropolitan areas around Boston, Mass., Los Angeles, Calif., Denver, Colo., Atlanta, Ga., Chicago, Baltimore, Md., Washington, D.C., and New York, with other chapters located in Tampa and Tallahassee, Fla., Detroit, Cincinnati, Milwaukee, Louisville, Ky., and other cities. A list follows:

PERSONS ATTENDING THE NATIONAL FIGHT BACK CONFERENCE, DECEMBER 28-29, 1975
(Spellings based on phonetics)

COLORADO

Bob Anyon, Richard Bates, Bob Brown, Cindy Burton, Mary Coe, Hank Colburn, Phil DeLeon, Lucius DuBerry, Michelle Flores, Candelario Poliz, Sue Garmony, Jeff Goldstein, Bob Hennig, Susan Hennig, Lana Karp.

Linda Lieba, Ken Maier, Nel Maier, Barb

Martin, Rebecca Naranjo, Deborah Palmieri, Carol Roderick, John Roderick, Don Russell, Ray Russell, Wayne Seaman, Debbie Singer, Kent Tobiska, Marsha Trammel.

DISTRICT OF COLUMBIA

Fran Anderson, Jim Benn, Roger Blacklow, Beryl Blaustein, Randy Bregman, Carolyn Brinnon, Paul Cabarza, Linda Carcione, Patty Cook, Beth Destler, Tim Elston, Ernest Garner, Geraldine Garner, Tanya Garner, Patrice Gancie.

Ellyn Greenberg, Lesley Guyton, Susanne Hecht, Debbie Hellerstein, Irene Hensel, Ray Johnson, Alta Keeton, Linda Kimball, David Kotz, Nancy Lee, Alan Lencheck, Jackie Lencheck, Armand Lencheck, Ann Longley, Patrick Loy, Roosevelt McNeil.

Annetta Martin, Joe Martin, Liz Martin, Rawley Mastbrook, Sue Mastbrook, Mike Merloe, Carolyn Meyer, Andy Phelps, Jan Pollizzi, Kathryn Roark, Barbara Smith, Cliff Smith, Michael Weichbrod, Dorothy Weichbrod, Alice Wolfson, Philip Wolfson.

FLORIDA

Jan Goodman, Joe Goodman, Eddie Ruth Marshall, John Marshall, Mary Martin, Joyce McHenry, Carl Van Ness, Betty Wood, Bob Wolfreys.

GEORGIA (PRINCIPALLY FROM THE GREATER ATLANTA AREA)

Jennie Baker, Betty Bryant, Larry Bryant, Pat Bryant, Janet Caldwell, Pete Carlson, Ron Carter, Ken Chastain, Pam Chastain, Paul Cobb, Clara Davis, Tom Davis, Dana Duke, Chuck Dunham, Chris Fleming.

Ellen Fleming, Ginny Fletcher, John Fletcher, Marie Glynn, Perry Glynn, Nan Grogan Guerrero, Becky Hose, Mary Joyce Johnson, Nellie Lawson, Kathleen McGuier, Carol McLin, Nancy Neighbors, Charles Orach, Sue Palmer, Ann Romaine.

Louise Runyon, Lilly Rushin, Mike Serrett, David Smith, Vicky Smith, Donna Stewart, Marie Stewart, Mike Swanson, Cheryl Todd, Jonas Veal, Nannie Lee Washburn, Phil Welton, Janet Wheat, Pat Williams.

MARYLAND

Tom Andrione, Kay Boyd, Ellen Bravo, Marcia Brown, Rick Brown, Lesley Dennis, Ron Haysfield, Dan Hardy.

Mary Kellager, Fred Krasny, John Markley, Larry Miller, David O'Brien, Alexandra O'Brien, Cappy Penderhughes, Vicky Peterson, Augustus Richardson.

Wanda Scott, Mary Selhorst, Al Summerville, Mildred Summerville, Bill Uphoff, Ellen Williams, Louis Williams, Diane Wilson, Marty Wolfson, William Young.

MASSACHUSETTS

Mary Anderson, John Auerbach, Jim Baker, Josephine Baker, Jean Bragan, Jonathan Brandell, Jacob Bredeur, Margie Butler, Debbie Coles, Joan Crimmins, Steve Crosby, Al Davis, Tim Dean, Alice DeVincent, Clair Dollins.

Jehu Eaves, Tess Ewing, Penny Fox, Tom Francis, Chuck Garment, Mike Glenn, Jim Gottschalk, Cindy Hamel, Roberta Helberg, Sam Ho, Wally Hollander, Ed Hunt, Sue Jhirad, Toni Jones, Barbara King, Debbie Knight.

Paula LaPierre, Rich LaPierre, Dottie Lee, Dayton Leonard, Debbie Maggio, Steve Meacham, Ken Middleton, Paul Morgan, Ann Orkoff, Charles Pratt, Grace Quayle, Janice Reagan, Elsa Roberts, Howard Rotman, Marie Rouse, Charlotte Ryan, Toni Schatzman.

Mary Shea, Elaine Sheets, Linda Stearns, Bart Stephens, Alan Toney, Wally Taylor, Angela Telfare, Rene Theberge, Janice Thompson, Vicky Tucker, Norman Turner, Luz Vega, Diane Villemaire, Amy Welby, Bob Weiser, Dennis Williams, Ed Winbourne, Alan Winston.

NEW YORK

"Muhammad Ali," Linda Ard, William Ard, Jr., Loretta Argue, Claude Jean Baptiste, Jose Baruta, Nilior Barunich, Nilior Barunich, Jr.,

Gene Bild, Rene Blakkan, Cherry Blatt, Ariella Borahate, Willie Cabet, Martha Cameron, Yolanda Caraballo.

Sue Carrol, Tom Cocks, Dara Beth Cohen, Emma Cortez, Ramon Cortez, Carl Davidson, John Duffy, Gary Esno, Maureen Esno, Bev Falk, Bob Fram, Alan Frogenberg, Jack Frohlich, Kathy Garay, Gary Goff.

Terry Goldman, Al Gonzalez, Hillary Gordon, Al Green, Mickey Green, Bob Gura, Dave Gura, Nancy Gura, Becky Hall, David Harris, Michael Howard, Kitty Kroger, Greg Laden, Kathy Ledbetter, John LaSalle.

Rick Levine, Erik Lewis, Marge Lewis, Judy Lobel, Sarah McAllister, Hal Medrano, Vera Michelson, Marian Nordie, Laura Nuchow, Robert Nuchow, Rosa Nunyez, Marcus Padgett, Ralph Paladino, S. Richardson, Edwin Rivera.

Marleen Rivera, Earthie Rivers, Jesse Rivers, Juan Rodriguez, Karl Roy, Mike Salvino, Sadie Sanders, Mildred Santana, Helen Scaracella, Mike Scaracella, Marie Scholl, Richie Scholl, Meir Seeman, Kathy Shimatsu.

Yoichi Shimatsu, Guy Smith, Oliver Smith, Jose Soto, Rod Such, Clair Sylvan, Dennis Tatum, Errol Vural, Ann Whitbrod, Lucy White, George Williams, Charlotte Wolff, Nancy Zaratney.

OHIO

Robert Auden, Ernest Baker, Leola Blackman, Jim Bramson, Susan Bramson, John Henry Butler, Leslie Calhoun, Patricia Davis, Elizabeth Dinkelaker, Lynn Estomin, Orin Estomin, Darya Fumagalli, Eleanor Graham, J. B. Hamilton, Jerry Kidd, Andrea Kornblu.

John Kornblu, Nick Langdon, Freddy McGhee, Jack Magrissio, Glowdana Moxley, Ethelna Nelson, Bobby Newsome, Judy Pomer, Laura Pruden, Jim Sanders, Bruce Simpson, Jim Squire, Carol Tackett, Debbie Wright, Perry Wright, Michelle Zellers.

WISCONSIN

James Albers, Guadalupe Berrios, George Brookshire, Dale Dahlberger, Chris Deisinger, Joann Easterling, Alberta Evans, Rose Henley, Kathy Hinkle, Joann Jacoby, Peter Kent, Drew Lavake, Rose Lavake.

Hazel Lewis, Bob Martin, Ben Matthews, Henry Mills, Patricia Moore, Maryann Onarato, Frank Shansky, Judy Tapscott, Ron Tapscott, David Thomas, Susan Thomas, Ruby Wenzel.

IN MEMORY OF FLORENCE PRICE DWYER

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. GILMAN. Mr. Speaker, I rise to join my colleagues in paying homage to former Congresswoman Florence Price Dwyer, who passed away on February 29, 1976.

Mrs. Dwyer, a Republican Representative who championed the rights of women and consumers at both the State and National levels, served her New Jersey constituents diligently and admirably for 16 years.

Her reputation proclaimed both her greatness and her fairness.

Some of this remarkable legislator's accomplishments included:

Seeking the creation of a new Office of Women's Rights and Responsibilities.

Sponsorship of legislation to create an independent consumer protection agency.

She was the first woman to be appointed for 5 consecutive years to the policymaking committee of the New Jersey State Legislature.

She was the second woman in New Jersey history to be appointed assistant majority leader in the New Jersey Assembly in Trenton.

Mrs. Dwyer composed New Jersey's equal-pay-for-women law.

She did so much—she will be missed by so many.

DR. KING AND FULL EMPLOYMENT

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. RANGEL. Mr. Speaker, we are all well aware of the outstanding work done by the late Dr. Martin Luther King, Jr., in the field of civil rights. However, the influence of this great man does not stop here. The principles that he lived and worked for in his struggle for racial equality can, and must, be applied to other problem areas of the United States as well. One of those areas concerns unemployment.

New York City Mayor Beame is painfully aware of the difficulties created by the massive unemployment problem we face today. The Humphrey-Hawkins Full Employment Act, H.R. 50, will provide New York City and the rest of the country with means to end unemployment, which will also help us to begin solving many of the related problems plaguing our cities, notably crime. I join with Mayor Beame in stressing the need for immediate passage of H.R. 50 so that we may begin attacking some of our cities' major problems.

In paying tribute to Dr. King, Mayor Beame brings to my mind the long, hard struggle made by Dr. King to correct the vestiges of discrimination. The resolve and dedication that Dr. King applied should be a guide to us as we seek to end this unemployment problem and move one step closer to the fulfillment of Dr. King's dream of social and economic equality. The text of Mayor Beame's statement follows:

REMARKS BY ABRAHAM D. BEAME

Almost eight years ago, America trembled with sorrow and anger over the senseless murder of Dr. Martin Luther King, Jr. We resolved, then, to sustain the energy he had generated in the advancement of his fellow human beings.

Today, the nation trembles again with sorrow and anger—this time over the senseless frustration of the movement toward economic and social progress that Dr. King once led. His vision is being thwarted because too many of our national leaders seek refuge in yesterday's answers instead of searching for the rich promises that tomorrow offers.

We are here to mourn the Sixties—a decade marred by the loss of great leaders. And we are here to insist that the Seventies do not become the decade of lost causes.

All of us look to this decade as a turning point in the struggle to achieve a just society. But the decade that began with such

promise stands in deep peril at the halfway mark. We find ourselves in this Bicentennial year celebrating the birth of our political liberty while trapped in the quicksand of economic inequity.

Just as Dr. King led Black America out of the wilderness of social injustice, so today we look for a leadership that can embrace all disadvantaged Americans searching for economic justice. If Dr. King were alive today, I know he would be in the vanguard of this fight.

Almost eight million Americans make up the tragic unemployment statistics. These are real people, with families to feed, debts to be paid, and hopes to be fulfilled. Yet, in our nation's capital, this number is used merely as input to satisfy the demands of an economic model. Incredibly, some of our national leaders are asking these people to believe that their hardships will bring prosperity for some if the nation can accept a dose of recession and hard times.

This experiment in economic theory has become like Dr. Frankenstein's monster. It's an uncontrollable menace that now stalks our land with impunity, bringing hardship and despair to our cities and sapping the vitality of our nation.

This specter must be driven from our land here and now, and the only positive solution to this problem is full employment for all Americans.

We must raise our voices as a people to remind our national officeholders about a simple lesson taught to us by Dr. King. He demonstrated that America's ability to walk in peace in the world community depends on its ability to maintain peaceful relationships within its own boundaries. That basic object lesson earned him the Nobel Peace Prize.

Ours is a troubled nation in a restless and changing world. But Dr. King's principles still apply, and his vision of America's future should be our standard for the Seventies. Unless we achieve full employment and a vigorous economy, we cannot expect to improve our economic position in an increasingly hostile world environment.

This is a nation of great health and even greater potential. We cannot accept high unemployment as the price for economic survival.

This is a nation with a gross national product of well over a trillion dollars and a federal budget of 400 billion dollars. Somewhere we must find the wherewithal to ensure a job for every American.

This is a nation which houses most of its people in cities. We must find the programs and resources to keep those cities alive and flourishing to serve our people.

This is a nation that has grown faster and stronger than any other in the history of the world. We cannot maintain our preeminence by shutting down public works programs and pricing out of reach the mortgage cost of building and rebuilding.

This is a nation whose strengths derive from its willingness to open its heart to the disadvantaged at home and abroad and give them the chance to grow and prosper. We cannot turn our backs on that tradition by design or indifference.

This is a nation that casts itself as a world leader. But America can make no just claim to world leadership if it is blind to the need to provide jobs for all its people and to meet the basic requirements for food and shelter for every American.

Let this march today be the symbolic beginning of our quest. There are bills to be drafted and regulations to be adopted—these are the tools that can help achieve full employment and full prosperity for these United States.

Such measures as the Full Employment Act—sponsored by Senator Humphrey and

Representative Hawkins—can turn our national ideals into national commitments.

As America approached the end of its second century, Dr. King forcefully reminded us how much farther the nation had to go to fulfill what he called the true meaning of its creed.

As we enter our third century, we must prove—to the world and to ourselves—that the democracy we have built and bled for and cherished can work.

And we who have taken to heart the message of Dr. King know this: that America's success or failure will be measured not by statistical economic indicators, but by the realities of full employment, of a productive and progressive society, and of a nation that can provide the leadership to inspire domestic tranquility and a world that can live in peace.

CONGRESSIONAL BUDGET CONTROL AND FEDERAL SPENDING

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. LONG of Maryland. Mr. Speaker, an overriding concern of a majority of my constituents—and most American taxpayers—is inflation and its effect on their ability to make ends meet. In increasing numbers, they are turning to us, their elected Representatives, to implore us to halt inflation by reducing Federal spending and the size of Federal deficits so that their dollars will have more purchasing power.

In 15 years, Federal Government outlays have roughly quadrupled. In fiscal year 1965, outlays in the Federal budget accounted for about 17 percent of gross national product—GNP. By fiscal year 1975, they were almost 23 percent. Government spending is growing at a faster rate than the underlying economy which supports it.

The rise in Federal spending has brought about record budget deficits. In fiscal year 1975 the budget deficit was \$43.6 billion, and the Treasury Department predicts this year it will be almost \$76 billion. Last year, in order to finance these deficits, \$4 out of every \$5 borrowed were by an agency of the Federal Government. Because many medium-sized and smaller private borrowers are also competing for capital in the financial market, it is no surprise that we are experiencing high interest rates. Thus, the most pressing goal of our fiscal policy must be to bring the spiraling growth of Government spending under control.

BUDGET CONTROLLABILITY

A hard question arises: How much control do we, the Congress, have over the Federal budget? Most Americans would be shocked to learn that only 8 percent—\$30.1 billion—of the fiscal year 1976 budget can be considered "controllable." The following table, prepared for me by the Congressional Budget Office, illustrates that midway through this fiscal year an overwhelming 92 percent of our current budget is uncontrollable or relatively uncontrollable, without extensive and rather unlikely legislation:

TABLE I.—CONTROLLABILITY OF THE FISCAL YEAR 1976 BUDGET AS OF DECEMBER 1975

	Percent of the budget	Amount (in billions)
Mandatory spending under current law:		
Permanent authority.....		130.5
Prior authority.....		70.1
Entitlement programs.....		65.4
Total.....	71.2	266.0
Relatively uncontrollable:		
Military salaries/operations/maintenance.....	13.1	49.1
Civilian salaries and expenses.....	5.0	18.6
State and local grants.....	2.7	10.0
Total mandatory and relatively uncontrollable spending.....	92.0	343.7
Examples of controllable programs:		
Health research and education.....	8.0	30.1
Atomic energy defense.....		(2.5)
Military procurement.....		(1.8)
Defense (research, development, testing, evaluation).....		(3.7)
Foreign economic assistance.....		(6.8)
Higher education.....		(1.9)
Total.....		(2.3)
Total.....		373.8

¹ Partial estimate; includes elementary, secondary, and vocational education; includes elementary, secondary, and vocational education; community development grants; law enforcement assistance; comprehensive manpower grants.

Source: Congressional Budget Office.

How much of the budget is, in fact, "controllable" relates to the feasibility of changing Federal expenditures in the short run, when many other considerations also limit changes, and in the long run, when a much broader range of spending options can be considered. Whereas long-range control over the budget, say for fiscal year 1978, may be approximately 25 percent, that percentage can decrease to only 8-percent control—as shown in table I above—midway through a fiscal year. Many long-run uncontrollable expenditures can be made controllable by changes in basic legislation; however, such basic changes are highly unlikely, given the present makeup of Congress and the will of the people who continue to fight any such changes. What shortrun control we do have over the current budget is severely limited. A large part of current outlays is required by laws or contracts from previous fiscal years. We spend now what we committed ourselves to earlier.

The Appropriations Committee, of which I have been a member for almost 12 years, plays a vital role in placing limits on Federal spending for new and existing programs because it is charged with responsibility to exert a "braking" influence on excessive budget requests by the administration and congressional authorizing committees.

The Appropriations Committee has cut a significant amount from administration requests in 35 out of 40 years since 1935, although it is not certain how genuine those cuts are. In varying degree, they are cuts made for what I call "furniture sale" markups; thus the budget request is increased nominally in order to allow "showcase" cuts to be made by the committee. The following table shows the amounts, whatever their validity, cut by the Appropriations Committee in each of the past 10 years:

TABLE II (In billions of dollars)

Congress/ session	Year	Requested by President	Appropriated by Congress	Congress appropriated less than requested ¹
89th:				
1st.....	1965	109.4	107.0	-2.4
2d.....	1966	131.2	130.3	-0.9
90th:				
1st.....	1967	147.8	141.9	-5.9
2d.....	1968	147.9	133.3	-14.6
91st:				
1st.....	1969	142.7	134.4	-8.3
2d.....	1970	147.8	144.3	-3.5
92d:				
1st.....	1971	167.9	165.2	-2.6
2d.....	1972	185.4	179.0	-6.5
93d:				
1st.....	1973	176.8	173.5	-3.3
2d.....	1974	209.4	201.4	-7.9
94th: 1st ²	1975	267.2	259.9	-7.4
Total.....				-63.3

¹ Numbers may not add due to rounding.
² As of Dec. 16, 1975.

Source: House Appropriations Committee.

BACKDOOR SPENDING

The Appropriations Committee, however, can legally affect only a portion of the total budget. In addition to the annual appropriations acts, which originate in the Appropriations Committees, there are other so-called backdoors that can lead to obligations and expenditures. Sometimes these backdoor expenditures completely bypass the Appropriations Committees; other times they effectively limit the discretion and range of control of those committees.

An interim report by the Joint Study Committee on Budget Control—House Report 93-13, page 7—calls attention to the problem by stating:

... the splintering off of spending authority from the Appropriations Committee has been a substantial factor in Congress' loss of overall budget control.

The report shows that only 44 percent of the spending estimate in the fiscal year 1974 budget was associated with items in appropriations bills. It further adds:

[E]ven some of these funds are approved on what, for all practical purposes, is a pro forma basis because the authorizing legislation in fact required the appropriation.

The joint study committee has identified four main types of backdoor spending: borrowing authority, contract authority, mandatory entitlements, and permanent appropriations.

Borrowing authority is statutory authority that allows a Federal agency to incur obligations and make payments for certain purposes out of borrowed moneys. For example, title II of the Regional Rail Reorganization Act of 1973 establishes the U.S. Railway Association and grants borrowing authority to carry out the purposes of the act.

Contract authority is statutory authority to incur obligations in advance of appropriation for expenditure. Once such an obligation is placed upon the Government as a result of this authority, however, the Appropriations Committees

are bound by law to liquidate those obligations by appropriating the necessary funds. Some types of contract authority are subject to restrictions in appropriations bills; others are not. An example of contract authority not subject to Appropriations Committees' restraint is the Federal Water Pollution Control Act Amendments of 1972 which provided \$18 billion in contract authority for waste treatment for the next 3 fiscal years.

Mandatory entitlements are payment levels established in basic legislation which constitute a binding obligation on the Government or one of its social insurance trust funds. Put simply, a person or government authority is entitled by law to receive payment from the Federal Government once certain criteria have been met. In cases such as highway and social security trust funds, although appropriations are required to finance these programs, there is little or no discretion in the appropriation process.

Permanent appropriations refer to any budget authority which becomes available without current action by Congress. Almost one-half of the new budget authority for the 1976 budget was available without current action by Congress. Most permanent appropriations are in trust funds for social security, highway aid, and civil service retirement.

An appropriation exempted from the provisions of the new Budget Control Act is general revenue sharing. Politically motivated and immensely popular with State and local government officials who use the funds to stretch their own budgets, revenue sharing has commanded approximately \$30 billion from the Federal budget since begun in 1972. Seemingly, Congress does not have the courage or will to say "there is no revenue to share," for to do so is perceived by many Members to be politically risky.

As backdoor spending authority takes an increasingly large share of the total Federal budget, the ability of the Appropriations Committee to "control" the budget decreases. Congress, in its action on appropriations bills, reduced the budget authority by approximately \$30 billion in the last 5 fiscal years. During this same period, however, Congress approved backdoor authority which exceeded the budget estimates by about the same amount. The following table illustrates some of the backdoor authority approved by Congress between fiscal years 1969 and 1974:

TABLE III.—BACKDOOR AUTHORITY FISCAL YEARS, 1969-74 (Dollar amounts in millions)

Classification	Amount requested	Amount enacted	Change
Total, backdoor authority.....	\$13,230	\$48,438	\$35,208
Requested by executive:			
Previous backdoor financing:			
Federal-aid highways.....	1,602	2,205	603
Federal-aid highways.....	5,743	11,612	5,869
Traffic safety.....	180	461	281
Other.....	405	3,405	3,000

TABLE III.—BACKDOOR AUTHORITY FISCAL YEARS,
1969-1974—Cont.
[Dollar amounts in millions]

Classification	Amount requested	Amount enacted	Change
Newly proposed as backdoor authority: General revenue sharing.....	5,300	8,295	+2,995
Initiated by Congress:			
Housing and Urban Development Act.....	1,500	1,500	
Expanding mortgage market.....	3,000	3,000	
Airport and airways.....	840	840	
Stock market insurance.....	1,000	1,000	
Emergency home financing.....	750	750	
Water pollution control.....	11,050	11,050	
Flood insurance.....	750	750	
Railway restructuring.....	2,080	2,080	
All other.....	1,490	1,490	

¹ Includes retroactive payment of \$2,650,000,000 originally requested for 1972.

² Includes \$4,450,000,000 requested in 1973 and enacted in 1974.

Source: House Appropriations Committee hearings on the Federal budget for fiscal 1975; reports of the Joint Committee on Reduction of Federal Expenditures; and records of the Office of Management and Budget.

Because the budget is broken down into functional categories, however, it is not possible to calculate the total amount of backdoor spending. The Economics Division of the Library of Congress points out that another complication is "some programs are both entitlements and permanent appropriations." To add the two categories together in calculating backdoor spending would lead to double-counting.

More of my constituents are writing to demand a reduction in Federal spending, and rightly so. It is obvious, however, that a major cause of our recurring Federal deficits is an increase in backdoor authority. What too few people realize is that we are locked into paying a heavy interest on the public debt. The annual interest amounted to \$10.3 billion in 1967, \$14.3 billion in 1971, and an estimated \$38.2 billion in 1975. This one item alone adds a steep price to every other program and/or service in the Federal budget.

As a member of the House Appropriations Committee, I face these hard facts with dismay. The Congressional Budget and Impoundment Control Act of 1974, which will be fully operational for the first time in fiscal year 1977, sets forth some new procedures applicable to contract authority, borrowing authority and mandatory entitlements. I am hopeful that this new self-imposed budget procedure will give the Congress, and the Appropriations Committee in particular, a firmer grip on backdoor spending. The Congress has still boxed itself in by leaving the Appropriations Committee little practical control over mandatory Federal spending. As long as Congress insists on circumventing the appropriations process, the American people's elected Representatives will have less and less control over the Federal budget.

In so many cases of Federal spending, Congress has no recourse but to fund programs which have come to be considered a matter of right by most Americans. Social security, public assistance programs—such as food stamps, medicare, aid to dependent children, and so forth—civil service and military retirement, veterans benefits, health and man-

power training, unemployment compensation and aid to education are but a few examples.

Powerful special interest groups, such as businessmen, teachers, physicians, nurses, farmers, laborers, civil servants, and veterans, exert unbearable pressure on Congressmen to continue and increase spending programs which will benefit them. Because they are organized, often vote in blocs, and have funds to hire professionals to keep them informed about pending legislation in Congress, these pressure groups have more clout with politicians than average citizens who do not belong to any special groups. And it is often the successes of these special interest groups that militate against the best interests of the American public in general.

WHAT NEEDS TO BE DONE?

Very little of the budget is thus controllable legally or for practical purposes. And if current trends continue, even less of the budget will be controllable in future years. The only way to halt the trend is by drastic changes in national policy with respect to defense, social programs, Government regulation of business and industry, and foreign aid programs.

There will be no drastic improvement, however, unless the public revolts against indiscriminate Government spending. American taxpayers must tell their Representatives—loud, clear, and often—that they will support, nay insist on, a tough reorganization of priorities. Their revolt must take the form of calling for specific economies rather than pious generalizations.

One very real fact must be understood. The politician dances to the tune called by the public. As long as the American people allow themselves to be outshouted by pressure groups, Congressmen who vote for increased spending programs will be returned to office while those voting against will not be. That is the central fact of our political process.

What is needed is a constituency that makes politicians more afraid to vote for indiscriminate spending than for economy. The American people must show real support when their Representatives are courageous enough to vote against new spending programs—no matter how attractive the program may be—or when they vote to dismantle or limit increases in existing programs. That there are so many timid politicians may be because the brave ones get defeated.

And just as importantly, Americans must be willing to make the short-term sacrifices necessary to achieve our mutual goal of holding down the public debt and achieving Federal fiscal responsibility. Because of the present economic situation, all of us suffer when we fail to get a cost-of-living increase or have to pay increased taxes or fail to receive the benefits of a new public service. But the short-term difficulties cannot compare to what will happen if we do not begin, right now, to recognize and respond to economic reality. There is no other way.

VIKING LANDER MODEL ON DISPLAY

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. TEAGUE. Mr. Speaker, I want to announce to my colleagues that I have asked and been granted permission to display the Viking Lander model in the Rayburn first floor "lounge area" facing Independence Avenue until March 12, 1976, to provide an opportunity for my colleagues and the general public to view.

As you know, two Viking spacecraft were launched in August and September of last year and are now on their way to Mars. The Viking program has been a bold, aggressive, and perhaps, the most technically challenging program undertaken in our space program to date. This project represents man's most forward attempt to search for life on another planet in our solar system. Over 4,000 American people have been diligently working for 5 years toward this noble goal.

This project takes on added significance in this, the Bicentennial Year of our country. One of these spacecraft is scheduled to land on Mars on or about July 4, the Bicentennial birthday of our country. The Viking project is indicative of the pioneering spirit of America; the Viking lander is an engineering marvel in which a geochemical laboratory, a meteorology station, an organic chemistry laboratory, a seismometry station, a sophisticated biology laboratory, and an imaging station have been miniaturized to fit in a volume of just a few cubic feet.

Typical of successful ventures of discovery, like the exploratory voyages of Columbus, the Viking spacecraft will provide stimulating and highly productive scientific information. But in this time of urgent and pressing crises one must ask whether exploration is really that important right now. I believe the answer is an emphatic yes.

Science and increased knowledge are actually very relative to many of today's problems in areas such as weather prediction, climate shifts, understanding the stratospheric and the potential threats to the ozone layer, earthquakes, and new energy sources. For a further treatise on the importance of planetary exploration, I would refer my colleagues to the following excerpts from chapter 1 of the Viking Mission to Mars—NASA SP-334—by William R. Corliss:

CHAPTER 1: THE PURPOSE OF PLANETARY EXPLORATION

From the Great Pyramid to Palomar, man has always searched the skies for clues to his destiny. Down the centuries the bright, wandering orbs of the planets have captured his imagination. At first, he peopled those spheres with his ancient gods and, later, with the exotic creatures of science fiction. Although the Sun's planets are devoid of those fanciful beings, they boast something much more valuable: The keys to understanding our Earth, its geological past, and

how its variegated cargo of life originated and evolved.

The planets of the solar system probably had a common origin. The current view holds that all were formed by "accretion," as gravity pulled dust and rocky debris into the spherical conglomerations of matter we now call planets. Despite their similar births, each planet is different in character. Earth teems with life; Jupiter is massive with a thick and colorful atmosphere; Mercury is small with little atmosphere and baked by the nearby Sun; while Mars, the most Earth-like of all the planets, is a dry, windblown, cold desert. Their different chemistries, geologies, and meteorologies derive from their different masses and varying distances from the Sun. This diversity alone makes planetary exploration worthwhile.

What the planets can tell us about life is possibly even more important. Earth, to be sure, harbors abundant life in a relatively thin biosphere only a few miles thick but is unique among the denizens of the solar system in this regard. Data gathered from outer space—the amino acids detected in meteorites and the observed spectra of water, ammonia, and organic chemicals in interstellar space—suggest that the chemical building blocks of life are universal. Life may be an integral, perhaps inevitable, part of the unfolding evolution of the universe. Very likely some of the precursors of life exist somewhere on our eight sister planets or their several dozen assorted moons. Somewhere in the solar system, chemical evolution may have taken that one critical additional step into the realm of life, just as it did some 3.5 to 4 billion years ago on Earth.

By exploring the other solar system planets and their satellites, we should be able to study the various stages of chemical and, hopefully, biological evolution. Thereby, scientists can gain insight into the processes leading from simple molecules to man. Valuable as this detailed insight would be, just one look at that part of the drama which reveals some form of "other life" would make space exploration worthwhile.

Recognizing that many scientific secrets still lie hidden throughout the solar system, NASA has a program of solar system exploration aimed at answering the following questions:

- (1) How did our solar system form and evolve?
- (2) How did life originate and evolve?
- (3) What are the processes that shape our terrestrial environment?

Our astronauts have begun detailed exploration of the Moon, but we have sent only a few instrumented spacecraft past or into orbit around the other planets. Among the other planets, Mars is the most potentially rewarding as an astronomical objective, especially in terms of the second question. It is neither too hot nor too cold; it possesses carbon dioxide and some water. Life could exist there, and scientists are eager to send their instruments down to the Martian surface.

The possibility of Martian life—extinct, extant, or future—is the target of the Viking program that is described in detail in this publication. The two Viking spacecraft, to be launched in 1975, will be Orbiter-Lander combinations. The Orbiters will contribute to the science objectives of the mission by taking photographs and spectra over large regions of the planet. The Landers will make *in situ* atmospheric and meteorological measurements during descent and while on the surface. Once safely landed, various other instruments will analyze the soil for organic and inorganic compounds and try to detect biological activity.

Viking is a challenging program to explore the surface of a planet millions of miles away. From the information in the stream of radio signals beamed back to Earth across

that immense void, we hope to learn more about Earth through the study of the differences and similarities of the planets and, possibly, to hear first signals announcing the discovery of extraterrestrial life.

THE PAUL A. MILLER RESEARCH FELLOWSHIP

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. ANDERSON of California. Mr. Speaker, on April 9, 1976, the city of Hope Medical Center will honor a man who has contributed greatly to our community through his work in organized labor. Executive secretary-treasurer of the Los Angeles County District Council of Carpenters, Paul A. Miller will be honored that evening by the establishment of a research fellowship in his name.

Paul has served as secretary-treasurer since his election in 1974. However, his association with labor goes back many years. Born in Danville, Ill., Paul served as vice president and president of a Laborers' Union prior to World War II.

During the war, Paul Miller saw extensive service with the Army's 2600 Task Force in the Northwest Territory of Canada and Alaska. He also served with distinction in the European Campaign; Rhineland Campaign; Philippine Liberation Campaign; and the Japan Occupation Forces, receiving his discharge in December of 1945.

After returning to Danville and becoming a member of the carpenters' union, Paul moved to California and joined Carpenters' Local 1400 in Santa Monica in 1953.

By 1956, he was elected a delegate to the Los Angeles County District Council of Carpenters, and a delegate to the California Carpenters State Council Convention.

Paul's dedication and leadership ability contributed to his rapid rise through the ranks. In 1957 his fellow workers elected him president of Carpenters' Local 1400, then as business representative in 1961. In 1964 he was elected to the Los Angeles County District Council of Carpenters, and became the council's business manager in 1968.

Paul replaced the late Gordon McCullough as executive secretary-treasurer in 1974. In that position, he has continued his outstanding work on behalf of the working people of Los Angeles County. He also serves as a vice president of the California State Federation of Labor, and the Los Angeles County Federation of Labor.

It is indeed fitting that the City of Hope establish the Paul A. Miller Research Fellowship to honor this outstanding individual. His hopes and efforts on behalf of the people he has represented so well are an inspiration to us all. Paul's humanitarian ideals are well expressed by the City of Hope's pioneering efforts in research and healing.

My wife, Lee, joins me in congratulat-

ing Paul A. Miller on his highly successful career, and in the great honor he will receive with the founding of the Paul A. Miller Research Fellowship at the City of Hope. I am sure that his lovely wife, Virginia, and their daughter, Jodie, are justly proud of Paul's many accomplishments.

SOVIET FLEET HAS EDGE

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

[From the San Diego Union, Jan. 11, 1976]

SOVIET FLEET HAS EDGE

The retired British naval officer Capt. John Moore has been sending bad news to the United States of America ever since he became editor of the reference book *Jane's Fighting Ships* in 1972. His annual surveys of comparative naval strength have shown the Soviet Union to be narrowing the gap between its navy and the U.S. Navy.

Now, in a new book on "The Soviet Navy Today," he reports that in terms of the firepower represented by the new Soviet fleet the gap is not only closed but is opening in the other direction. In the numbers and capabilities of ships and submarines and their missile systems, he says, the Soviet navy is now "the most potent in firepower of any fleet that ever existed."

We can hope that his words penetrate the U.S. Congress, although that body has been told often enough—by secretaries of Navy and Defense and strategic analysts—that creating a navy of that dimension is exactly what the Russians were up to. Those warnings, however, have not been reflected in naval budgets, the declining size of the U.S. Fleet and the lag in adapting it to the potential for missile warfare at sea.

Capt. Moore's assessment appears to confirm the fear that the United States has been surrendering its naval superiority to the Soviet Union by default, although he offers some consolation. America's carrier-based aircraft and the skill and seamanship of its sailors remain far superior to what is found in the Russian navy.

This helps move the scale back toward some kind of balance, but even that comfort is qualified. The first Soviet aircraft carrier—though no match for our big attack carriers—made its appearance in 1973. And the poorly paid, poorly trained Russian sailors—most of them draftees—are manning ships and weapons designed to overcome that personnel deficiency. As Capt. Moore reports, Soviet warships are simple and rugged with easy repair capabilities, and there are enough of them for frequent rotation for on-shore maintenance.

So where do we come out? With or without attack carriers, with or without top-notch crews, the Soviet navy is prepared to show up with ships and firepower that could neutralize the presence of the U.S. Navy anywhere it chooses. We had a taste of what that means when the U.S. 6th Fleet was confronted by a Soviet fleet with a 3-2 superiority in a tense stand-off in the Mediterranean at the climax of the 1973 Arab-Israeli war.

Members of Congress who traditionally ransack the defense budget in search of expendable "fat" have accused our Defense Department of crying wolf when it points to the menace of the growing Soviet navy. What does it take to convince them there is a real wolf prowling outside our door?

FRENCH GO ALL OUT FOR WORLD
NUCLEAR LEAD

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. ULLMAN. Mr. Speaker, the article which follows is from the Oregonian, Portland, of February 17, 1976. It is the third in a series concerning problems and alternative solutions to them that confront every one of us. I hope Members will find it as useful and informative as I do.

The article follows:

FRENCH GO ALL OUT FOR WORLD NUCLEAR
LEAD

(By Forrest E. and John W. Rieke)

France, with few compromises, has committed itself to an all-nuclear future, based on a national energy policy enunciated in 1973.

More than 75 per cent of France's energy, principally petroleum, is imported and the nation shares more than most the worldwide dilemma caused by embargo actions of the OPEC nations in October, 1973.

France is without indigenous coal, gas or oil and has no proprietary share in recent North Sea oil discoveries. Officials in Paris told us that nuclear energy is the only available option, yet a large portion of the nuclear fuels needed for this development must be imported.

The 1973 French national energy directive calls for the addition of 4,000 to 5,000 megawatts of nuclear power annually until 25 per cent of the nation's electric power is by nuclear means in 1985. Currently the nuclear capacity in France is 3,000 megawatts, to be increased to 20,000 megawatts by the early 1980s.

France has attempted a largely solitary path to nuclear self-sufficiency, both military and civil. Planning, research and production are directed to internal needs and secondarily to foreign markets.

Commissariat à l'Énergie Atomique, or CEA (Atomic Energy Commission) retains tight and centralized control of nuclear power, both in the civil and military applications. The CEA is not a loose-tongued agency. However, its reticence to discuss the French nuclear commitment is dictated by an intimate mixture of civil and military missions and a substantial degree of commercial secrecy.

According to a 1974 report by the CEA, slightly more than half of France's current supply of uranium ore comes from Niger and Gabon, the remainder from domestic sources. So when France chose nuclear as its energy option, it was making a purely technological decision, not one based on an economic advantage due to the presence of French-owned uranium resources.

To this nuclear end, France's nationalized electric utility *Electricité de France*, (EdF), placed orders for 18 pressurized water reactors from Framatome, a company in which Westinghouse Nuclear Europe holds 45 per cent. Further purchases of these nuclear reactor units are under consideration.

A capital commitment of this size (approximately \$18 million in 1980 dollars) involved a financial gamble which the French government felt had to be taken. Heavy investment in productive capacity for nuclear hardware was inescapable if internal needs were to be served and France was to capture a larger share of the world market.

Financial salvation will come if Framatome, a monopoly French reactor builder (Creusot-Loire, S.A. owns 55 per cent of the Framatome stock), realizes a substantial

profit from foreign sales. Therein lies the French motivation for choosing the nuclear alternative—the French can use the energy to support domestic growth, while selling the hardware to developing nations to defray the cost of capital investment for the plants at home.

France has announced a number of joint ventures with Iran, a major customer. It also has agreed to assist Iraq in creation of a nuclear research and training center, and Creusot-Loire, S.A. will soon start building a 600 megawatt power plant in Iraq. Other deals are pending.

In a move toward greater market flexibility, the fuel production segment of the CEA has been granted more autonomy by the French government as the nation strives to become a "full-service bank" for its nuclear customers, providing not only the hardware, but also the enriched fuel.

Meanwhile, negotiations are in progress for Creusot-Loire, S.A. to acquire most of the Westinghouse shares in Framatome, presumably looking to the day when the French firm will become an independent producer, devoid of U.S. ties.

Through linkage of Creusot-Loire, S.A. and Westinghouse, France has enjoyed the use of Westinghouse's pressurized water reactor without all the antecedent expense associated with research and development of a new technology.

This permitted intensive use of money and manpower to accomplish a surprisingly rapid development of Phenix, the first major prototypic breeder reactor in the world, which has been successfully tested, is producing power and is the source of much French pride. Emergence of the Phenix, in fact, has valuted French nuclear stock in world markets, perhaps giving this nation a slight edge in the worldwide breeder development race.

The French are sufficiently encouraged by the Phenix experience to commit necessary resources to explore the next phases—an intermediate power station of 450 megawatts and a 1,200 megawatt prototype Super-Phenix. Corporate linkages are in place with Italy and Germany to finance the Super-Phenix and a site has been chosen at Creys-Malville, 60 kilometers east of Lyon on the bank of the Rhone River.

Meanwhile, to compensate for a late entry into the nuclear field (United States and United Kingdom once had locks on the technology), France has formed limited international partnerships, not only in reactor manufacture with Westinghouse, but in uranium acquisition, reprocessing of fuel and breeder development as mentioned earlier.

France, for example, has joined Germany and the United Kingdom to form United Reprocessors, a tri-national fuel reprocessing company. To meet rapidly growing European need for reprocessing, the La Hague facility near Cherbourg is to be expanded four-fold by 1978 and by twelve-fold by 1986.

The *Commissariat à l'Énergie Atomique* has played the central role in both civil and military applications of nuclear energy. It has been subservient to national energy policy in France. Apparently, the French government has placed no restriction on the CEA in its quest for reactor export, even despite international concerns about nuclear proliferation. There is concern that the French aren't too interested in controlling the destiny of nuclear materials, so long as reactor sales to less developed nations continue to escalate.

Over time, the big stakes in France ride on a smooth transition from the Phenix reactor to the salable Super-Phenix. Located at Marcoule, where much of the French nuclear establishment resides, the Phenix is a neighbor to other major industries and the sizable urban populations at Orange and Avignon. It rests on the bank of the Rhone and, un-

like the Trojan nuclear plant at Rainier which employs a cooling tower, the process heat from Phenix is discharged directly into the river.

Public opposition to nuclear power in France is rising, but has not deterred nuclear expansion within the country. Grape growers have expressed fear that reactors will cause meteorologic changes detrimental to vineyards. Groups of university students and faculties are teamed with U.S. opposition groups and many young Frenchmen are beginning to raise the classic anti-nuclear questions about environmental contamination, waste management, plutonium diversion and the economic feasibility of nuclear power systems in general.

Public protest, over-all, has had little impact on a strong, centralized French government that is fully committed to nuclear development. Many deputies in the National Assembly have opposed the high level financial commitment to nuclear reactors, but apparently few, if any, are opposed to nuclear power as an energy source.

The French, generally, are not afraid of the risks inherent with nuclear power unknowns. They are more fearful of the certainties of energy dependency, particularly on Arab oil, and are convinced that a stable economy is built on an adequate energy supply foundation.

The French approach to nuclear waste management parallels that of Britain. Early in its nuclear development, the French participated in an internationally-sanctioned sea dump of low-level waste. Since then, it has retained a substantial quantity of both low and higher level wastes in liquid storage. The French consider high level alpha emitting fuel residues to be manageable and have demonstrated that such "wastes" can be very useful.

As the first operation of Phenix drew near, for example, the French were short of plutonium for fuel. Even after careful salvage of plutonium from spent fuel, Phenix began operation with an incomplete "charge" of fuel. Thus, the French came to appreciate as well as fear plutonium.

Though the CEA now opposes further marine disposal of wastes and has planned to store high-level wastes in glass or ceramics, studies continue in France on the best mode and location for long-term storage.

In any case, the French don't flinch at the notion of moving ahead with nuclear power development before a plan for ultimate waste storage is in final form. They will move ahead in the high-stakes reactor game, while conducting a simultaneous search for the best uses of retrievable residues.

One should not infer, however, that the French are careless in this approach; it should be realized that their energy options are limited, their economic survival precariously hitched to their energy choices, and their choice is nuclear.

ESTONIAN INDEPENDENCE DAY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. RODINO. Mr. Speaker, February 24 marked the 58th anniversary of Estonian Independence Day. It should have been a day marked by celebration and happiness for the Estonians, just as July 4 is a day of joy for all Americans.

Yet, Mr. Speaker, we all realize that

for the Estonians and the citizens of all the Baltic nations, the anniversary of independence serves only as a grim reminder of the precious liberty which was lost so many years ago.

As we celebrate the Bicentennial anniversary of the Declaration of Independence, we must be eternally grateful that in America freedom has survived. We must also rededicate ourselves to the cause of freedom-loving peoples throughout the world. I am certain our Founding Fathers would expect no less from us than to cherish liberty and seek it for all mankind.

NATURAL GAS

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. PATTERSON of California. Mr. Speaker, a few days ago the House passed the Natural Gas Emergency Act. Californians need natural gas; it provides 44 percent of the energy used in the State. In my area, southern California, there is concern about shortages. This concern is well founded, for 90 percent of the homes heat with natural gas and nearly three-quarters cook with natural gas. Industry until recently used natural gas for 88 percent of energy needs, yet Pacific Lighting, a local supplier, predicts that this year it will only be able to supply 55.3 percent of industrial demand. Reductions in deliveries have forced a switch to oil, which is much more costly. Local utilities such as Southern California Edison and the Los Angeles Department of Water and Power formerly used natural gas for three-quarters or more of their fuel, but because of the shortage have changed to residual fuel oil, which not only costs more, but adds to the serious air pollution problem in our area.

We are all familiar with the causes of the natural gas shortage in those States, such as California, which are not self-sufficient in natural gas production. The regulated interstate pipeliners are unable to purchase enough gas for interstate delivery from the producers. The producers are unwilling to sell new production to the interstate pipeliners at the regulated rate of \$0.52 per thousand Mcf when they can get between \$1.25 to \$1.75 from the unregulated intrastate pipeliners. Because of this two-tier price situation new gas reserves subject to regulation have not been added at the same pace that old regulated gas has been used. Demand for gas has outstripped supply.

Mild weather and economic recession prevented severe shortages this winter. But unless supply is increased we may suffer serious disruptions. Industries could be forced to shut down for lack of heat and customers seeking energy would be forced to turn to expensive oil, synthetic gas, or imported liquified natural gas. At the same time our economy is emerging from a calamitous re-

cession and a period of intolerable inflation. A massive increase in the cost of natural gas could reverse these gains.

Faced with these problems I searched for the approach that would be most likely to increase the supply of natural gas, while at the same time protecting consumers of natural gas from price gouging, and minimizing inflation.

Complete deregulation of natural gas was not the answer. We have regulated interstate sales of natural gas to protect the consumer from exploitation at the hands of the producers. Natural gas is not like other products which are sensitive to supply and demand. A few big companies produce most of the gas and the price of the principal competing product, oil, is set by OPEC. From pipelines to local distribution, gas companies are involved in many monopoly or semi-monopoly situations. Yet continuing with no changes in regulatory policy would not encourage producers to increase their production and exploration.

All of us grappled with these complex and vital questions of natural gas policy. I am pleased that a majority of the Members of the House joined me in supporting Representative SMITH's amendment which subsequently became the Natural Gas Emergency Act. This legislation encourages production by exempting most producers from regulation. Only the largest producers remain regulated. It provides for a price ceiling on all natural gas, interstate and intrastate, produced by the large companies. But these companies, too, are given incentive to find and produce more natural gas. The Federal Power Commission must, under this legislation, modify its procedures in setting rates. The FPC must consider prospective costs, instead of historical costs, allow a reasonable rate of return, and grant incentives for difficult exploration, development, and production.

This legislation encourages production, yet does not subject consumers to the shock of vastly higher gas prices. It should result in additions to discovered reserves. It modifies FPC procedures. It is a step in the right direction in our effort to provide energy for the Nation.

The era of cheap energy has ended in this country. We must expect to spend more for energy, whatever its source. This legislation supports the most competitive part of the natural gas industry while extending control over those massive entities which have the greatest potential for abusing the public.

TWO HUNDRED YEARS AGO TODAY

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. WIGGINS. Mr. Speaker, 200 years ago today, on March 1, 1776, the Continental Congress rescinded the order giving Maj. Gen. Charles Lee command of the American forces in Canada, and ordered him instead to assume the newly created command of the southern mili-

tary department. Congress feared that the southern department would become a center of major military activity and wanted an able officer in command. John Hancock, President of the Congress, notified General Lee of his new assignment:

After a warm context, occasioned by the high estimation the Members of Congress have of your worth and abilities, (every one wishing to have you where he had most at stake) the Congress . . . have this day come to a resolution that you shall take command of the Continental Forces in the Southern Department.

REPRESENTATIVE JOE L. EVINS

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. JONES of Tennessee. Mr. Speaker, it has recently come to light that my distinguished colleague, Representative JOE L. EVINS has decided not to seek a 16th term in the House of Representatives. Like my fellow Tennesseans, I received this news with a great deal of regret.

JOE EVINS has meant much to Tennessee and the Nation. He has provided Tennesseans with leadership, good judgment, and outstanding representation in Washington. He will be sorely missed by all of us here especially those of us who form the Tennessee Congressional Delegation.

Those of us with lesser years of experience in this body have looked to him for leadership and have depended on his wisdom and judgment in trying to fulfill our responsibilities as elected representatives from the Volunteer State. JOE EVINS has always responded in a positive way to our requests for assistance.

After 30 years of dedicating his life to serving his country and his State, JOE EVINS can look back on his service in this body with a great deal of satisfaction. He has accomplished much in this Chamber, both for his own Fourth District of Tennessee and the country as a whole. I wish for him a happy retirement life and many years of continued good health. We will all miss him immensely.

In closing, I would like to take this opportunity to insert into the RECORD a story recently printed in the Commercial Appeal newspaper of Memphis, Tenn., regarding Mr. EVINS retirement announcement.

REPRESENTATIVE JOE L. EVINS

NASHVILLE.—Rep. Joe L. Evins, dean of the Tennessee congressional delegation, said Sunday he is stepping down after his current term in office.

Evins, 65, told the Tennessean, a Nashville newspaper, he will not seek a 16th term in the U.S. House of Representatives from the middle Tennessee district. His action confirms earlier speculation that this would be the veteran lawmaker's final year in office.

"Although I am confident that I could be re-elected," Evins said, "I feel that after 30 years in Congress it is time for the people of the Fourth District to have the opportunity of selecting another person as their representative in the Congress."

The Democratic lawmaker said he based his decision on his falling health and the increasingly "heavy burden of the work load."

He said he was not retiring in the usual sense of the word, but was stepping down to have more time with his family and for personal affairs. Evins said he would maintain a "lively interest" in politics and public affairs.

"This has been a very difficult decision, but after much deliberation and thought I have concluded that after 15 terms and 30 years of service in the U.S. Congress, it is time for me to step aside for the election of a younger person to carry the burden and the standard of the Fourth District of Tennessee," Evins said.

"My years of service in the Congress have been rewarding, exciting and stimulating. There have been many opportunities for service to the people of the Fourth District, the state and the nation. I have served long and to the fullest of my capabilities."

Evins' decision sets the stage for what could be one of the most hotly contested primary battles in memory. Three or four members of the state House of Representatives, a member of Gov. Ray Blanton's cabinet and others are eyeing the race.

Among those frequently mentioned as possible candidates are Reps. Stanley Rogers of Manchester, Tommy Burnett of Jamestown and John Bragg of Murfreesboro. Insurance Commissioner Millard Oakley is rumored to have the support of Evins, though the congressman did not endorse anyone in his statement.

"I have made this decision to relinquish my position in the Congress before the disabilities of age set in," Evins said. "I want to quit on top, so to speak."

In his statement, Evins also thanked the people of his district for their support over the past 30 years.

First elected to Congress in 1946, Evins worked his way up to become chairman of the powerful House subcommittee on public works and appropriations. He also serves as chairman of the subcommittee on public welfare and atomic energy appropriations, which provides the funding for the Tennessee Valley Authority and the Energy Research and Development Commission.

Evins is responsible for the funding of millions of dollars worth of projects in Tennessee and his district, which includes 25 Middle Tennessee counties and stretches from the Kentucky border to the Alabama border.

He chairs the House Small Business Committee and has served for five years as the chairman of the subcommittee on housing, space, science, veterans and independent agencies appropriations.

Evins served as chairman of the House Committee on Personnel and Patronage at the request of two House Speakers. He served under a total of six presidents.

In Congress, Evins ranks 14th in seniority. He is often asked what changes he has noted in Congress during his 30 years in Washington and replies:

"There have been some changes and reforms over the years. In the old days under (Sam) Rayburn, the members wore dark suits, white shirts and conservative ties. Today, we see a variety of tailored blazers and colorful ties and shirts worn particularly by the younger members," he said.

"Today we have an increasing number of ladies serving in the Congress. While there have been many changes, I consider the Congress today to be strong, viable and responsive to the public interest."

"The congress is the true arm of the people—the people's branch of government—and faced with big budgets and big bureaucracy, should be strengthened rather than constantly criticized and condemned."

TAX TIPS FOR OUR OLDER AMERICANS

HON. W. G. (BILL) HEFNER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. HEFNER. Mr. Speaker, one of the greatest inequities in our Nation's Federal tax system is that many Americans cannot fill out their own tax forms easily and quickly. I do not believe that a person should have to hire a certified public accountant to be able to claim legitimate tax deductions.

Congressional hearings have made it clear that many elderly persons overpay their taxes each year. Therefore, the congressional Committee on Aging has published a checklist of itemized deductions for individual taxpayers. Its purpose is to protect older Americans from overpaying their income taxes.

There are several reasons why elderly persons pay more taxes than they need to each year. One reason is that a large number of older Americans are overwhelmed by the complexity of the tax law and the tax form. And many aged taxpayers are simply unaware of helpful deductions which can save them precious dollars. The elderly need tax advice and many cannot afford professional assistance.

For this reason, I would like to provide the senior citizens in my district helpful tax information. I hope that these tips on some deductions might be able to save my senior citizen constituents some of their money which they can use in meeting their other needs. Items on this checklist have been provided by the Committee on Aging. This checklist reads as follows:

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 15, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to \$150) without regard to the 3% limitation 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 15, 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
- Chiropractor
- 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
- Physician
- Physical therapist
- 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 purposes (7¢ 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' pension or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, recovery of pension costs, dividends 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 15, 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 education 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¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in 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 represents 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.

CHILD AND DISABLED DEPENDENT CARE EXPENSES

A taxpayer who maintains a household may claim a deduction for employment-related expenses incurred in obtaining care for a (1) dependent who is under 15, (2) physically

or mentally disabled dependent, or (3) disabled spouse. The maximum allowable deduction is \$400 a month (\$4,800 a year).

As a general rule, employment-related expenses are deductible only if incurred for services for a qualifying individual in the taxpayer's household. However, an exception exists for child care expenses (as distinguished from a disabled dependent or a disabled spouse). In this case, expenses outside the household (e.g., day care expenditures) are deductible, but the maximum deduction is \$200 per month for one child, \$300 per month for two children, and \$400 per month for three or more children.

When a taxpayer's adjusted gross income (line 15, Form 1040) exceeds \$18,000, the deduction is reduced by \$1 for each \$2 of income above this amount. For further information about child and dependent care deductions, see Publication 503, Child Care and Disabled Dependent Care, available free at Internal Revenue offices.

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 the 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 33, Schedule A, Form 1040) or a credit (line 51, 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 is one-half of the political contribution, 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)

to help defray the costs of the 1976 Presidential election campaign.

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 FOR OLDER AMERICANS

Required to file a tax return if gross income is at least—

Filing status	Required to file a tax return if gross income is at least—
Single (under age 65)	\$2,350
Single (age 65 or older)	3,100
Qualifying widow(er) under 65 with dependent child	2,650
Qualifying widow(er) 65 or older with dependent child	3,400
Married couple (both spouses under 65) filing jointly	3,400
Married couple (1 spouse 65 or older) filing jointly	4,150
Married couple (both spouses 65 or older) filing jointly	4,900
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, 1976, you will be entitled to the additional \$750 personal exemption because of age for your 1975 Federal income tax return.

Tax Credit for Personal Exemptions.—In addition to the \$750 personal exemption, a tax credit of \$30 is available for a taxpayer, spouse, and each dependent. No additional \$30 credit is available, however, because of age or blindness.

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% 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 or less. (This election can only be made once during a tax-

payer's lifetime.) If the adjusted sales price exceeds \$20,000, an election may be made to exclude part of the gain based on a ratio of \$20,000 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.

Retirement Income Credit.—To qualify for the retirement income credit, you must (a) be a U.S. citizen or resident, (b) have received earned income in excess of \$600 in each of any 10 calendar years before 1975, and (c) have certain types of qualifying "retirement income". Five types of income—pensions, annuities, interest, and dividends included on line 15, Form 1040, and gross rents from Schedule E, Part II, column (b)—qualify for the retirement income credit.

The credit is 15% of the lesser of:

1. A taxpayer's qualifying retirement income, or
2. \$1,524 (\$2,286 for a joint return where both taxpayers are 65 or older) minus the total of nontaxable pensions (such as Social Security benefits or Railroad Retirement annuities) and earned income (depending upon the taxpayer's age and the amount of any earnings he may have).

If the taxpayer is under 62, the \$1,524 figure is reduced by the amount of earned income in excess of \$900. For persons at least 62 years old but less than 72, this amount is reduced by one-half of the earned income in excess of \$1,200 up to \$1,700, plus the total amount over \$1,700. Persons 72 and over are not subject to the earned income limitation.

Schedule R is used for taxpayers who claim the retirement income credit.

The Internal Revenue Service will also compute the retirement income credit for a taxpayer if he has requested that IRS compute his tax, he answers the questions for columns A and B, and he completes lines 2 and 5 on Schedule R—relating to the amount of his Social Security benefits, Railroad Retirement annuities, earned income, and qualifying retirement income (pensions, annuities, interest, dividends, and rents). The taxpayer should also write "RIC" on line 17, Form 1040.

Mr. Speaker, also, persons who may subsequently discover that they overpaid their taxes in prior years have recourse. They may file an amended return—Form 1040X—to claim deductions initially overlooked. Form 1040X must be filed within 3 years after the original return was due or filed within 2 years after the tax was paid, whichever is later.

I hope this material will be useful to the senior citizens in my district, especially to those living on fixed incomes. It should prove helpful in pointing out legitimate tax deductions for older Americans who so often overpay their taxes.

For any questions concerning any of these or other items, you may contact the IRS office nearest you. Those IRS offices in or near the 8th Congressional District are:

Salisbury, North Carolina, Post Office Building, 704/636-9735.

Charlotte, North Carolina, 5821 Park Road, 704/372-0711, Extension 411.

Fayetteville, North Carolina, 225 Green Street, 919/483-1023.

Lumberton, North Carolina, Post Office Building, 919/738-4033.

Winston-Salem, North Carolina, 2000 West First Street, 919/723-9211, Extension 421.

In addition, the IRS in Greensboro has a toll free number—800/822-8800—which you may call for assistance in preparing your tax returns. People who call this number will generally be asked to wait. However, people should not hang up the telephone, because each individual will be helped when their turn comes. The Director of the IRS Office in Greensboro has cautioned people not to hang up because phone lines are busy. Every time you call back, you have to go to the bottom of the waiting list to be helped.

CLEAN AIR BILL THREATENS ECONOMIC GROWTH

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. ASHBROOK. Mr. Speaker, the House Interstate and Foreign Commerce Committee is currently considering H.R. 10498, the Clean Air Act Amendments of 1975. This legislation as presently drafted would seriously hinder industrial growth and economic development in the United States.

A major part of the bill is devoted to the elusive goal of preventing significant deterioration of air quality. To achieve this end it splits the country into three types of areas.

Every State would be forced to designate all land areas cleaner than the national air quality standards as either class I, class II, or class III. Specific guidelines are set forth in the bill on classifying and reclassifying each area.

Mandatory class I areas are national parks and national wilderness areas exceeding 25,000 acres in size. Those between 1,000 and 10,000 acres in size, as well as national preserves, national monuments, national recreation areas, and national primitive areas in excess of 10,000 acres would be discretionary class I areas. Discretionary class I areas, unlike mandatory class I areas, could later be reclassified as class II areas.

After an area has been classified, it may only be reclassified after public hearings and preparation of environmental, economic, social, and energy analyses. Furthermore, any reclassification of class I areas and any reclassification of an area to class III must be approved by the appropriate local government and the State legislature. In addition, discretionary class I areas may only be reclassified as class II.

Only a stipulated amount of increased pollution would be permitted in each area. Class III would have the highest allowable increment level and class I the lowest.

Such a policy of significant deteriora-

tion is little more than a backdoor approach to Federal land-use control. The end result would be a virtual no-growth policy.

Passage of this legislation would substantially reduce or completely eliminate future growth in class III areas. It would place most Federal lands and large buffer zones around them into nondevelopable areas, leaving some States with little or no room for development. It would set such low limits on allowable air quality changes as to be almost impossible to measure.

The far-reaching nature of this policy has been recognized by the Environmental Protection Agency. According to the EPA,

A national policy of preventing significant deterioration, however defined and implemented, will have a substantial impact on the nature, extent and location of future industrial, commercial and residential development throughout the United States. It could affect the utilization of the nation's mineral resources, the availability of employment and housing in many areas, and the costs of producing and transporting electricity and manufactured goods.

The real issue boils down to one of growth versus nongrowth. The way this issue is resolved will determine such things as whether a new factory can be located in a community. Whether a new powerplant can be constructed to meet growing energy needs. Whether vital natural resources can be developed for the benefit of our citizens. Whether our Nation will have jobs and economic progress or economic stagnation.

Rather than restoring economic balance to the Clean Air Act, H.R. 10498 would move us even closer to environmentalism at any cost. The bill should be modified so as not to impede industrial growth and economic development. Failing that, it should be defeated in its entirety.

CONGRATULATIONS TO REVEREND AND MRS. LATCH

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 1, 1976

Mr. GILMAN. Mr. Speaker, I rise to join my colleagues in honoring Rev. and Mrs. Edward Gardiner Latch, who on Monday, March 1, celebrated their 50th wedding anniversary.

I welcome this opportunity for congratulating the Chaplain of the House of Representatives and his devoted lady on this happy occasion of their golden anniversary.

It must be a great source of pleasure and pride for this devoted couple to have reached this milestone in their long and happy life together, and to be able to look back upon such a rich and full life, knowing that they have so many friends and have been part of so many lives.

I join my distinguished colleagues in wishing Reverend and Mrs. Latch many more years of health and happiness together.

NO NEED TO PAY MORE THAN IS REQUIRED

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. ABDNOR. Mr. Speaker, lacking knowledge of legitimate income tax deductions, each year thousands of our citizens needlessly overpay their Federal income tax. Such overpayment is a particular hardship to our senior citizens who are living on fixed incomes and already have a tough time making ends meet because of inflation.

One item frequently overlooked is the additional personal deduction available to those over 65. They are also entitled to deduct much of the gain from the sale of their home, and there are dozens of exemptions available to all taxpayers which may be overlooked at the time of filing.

In an effort to assist South Dakota's older Americans with their income tax returns, I am preparing a report which includes a special checklist of itemized deductions and tax relief measures for individual taxpayers which has been developed by Congress.

The checklist, covering everything from pertinent and helpful information on medical and dental expenses, insurance premiums, and retirement income credit should help in better understanding our tax law and the income tax form. It will also aid taxpayers who may not be completely current in tax relief provisions. It will also assist in determining whether it would be advantageous to compute income taxes on an itemized deduction basis or on the basis of tax tables.

Older American taxpayers who discover they have overpaid their taxes in previous years have recourse in that they may file an amended return: Form 1040X to claim deductions initially overlooked. The form must be filed within 3 years of when the original was due or filed, or within 2 years after the tax was paid, whichever is later.

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 15, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to \$150) without regard to the 3% limitation 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 15, 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
- Chiropractor
- 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
- Physician
- Physical therapist
- 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 purposes (7¢ 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' pen-

sion or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, recovery of pension costs, dividends 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 15, 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¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in 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.

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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.

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When a taxpayer's adjusted gross income (line 15, Form 1040) exceeds \$18,000, the deduction is reduced by \$1 for each \$2 of income above this amount. For further information about child and dependent care deductions, see Publication 503, Child Care and Disabled Dependent Care, available free at Internal Revenue offices.

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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.

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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 the 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.

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tribution, 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) to help defray the costs of the 1976 Presidential election campaign.

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.

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Filing status:	Required to file a tax return if gross income is at least—
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Married couple (both spouses under 65) filing jointly.....	3,400
Married couple (1 spouse 65 or older) filing jointly.....	4,150
Married couple (both spouses 65 or older) filing jointly.....	4,900
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, 1976, you will be entitled to the additional \$750 personal exemption because of age for your 1975 Federal income tax return.

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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% 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.

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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 or less. (This election can only be made once during a taxpayer's lifetime.) If the adjusted sales price exceeds \$20,000, an election may be made to exclude part of the gain based on a ratio of \$20,000 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.

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The credit is 15% of the lesser of:

1. A taxpayer's qualifying retirement income, or

2. \$1,524 (\$2,286 for a joint return where both taxpayers are 65 or older) minus the total of nontaxable pensions (such as Social Security benefits or Railroad Retirement annuities) and earned income (depending upon the taxpayer's age and the amount of any earnings he may have).

If the taxpayer is under 62, the \$1,524 figure is reduced by the amount of earned income in excess of \$900. For persons at least 62 years old but less than 72, this amount is reduced by one-half of the earned income in excess of \$1,200 up to \$1,700, plus the total amount over \$1,700. Persons 72 and over are not subject to the earned income limitation.

Schedule R is used for taxpayers who claim the retirement income credit.

The Internal Revenue Service will also compute the retirement income credit for a taxpayer if he has requested that IRS compute his tax, he answers the questions for columns A and B, and he completes lines 2 and 5 on Schedule R—relating to the amount of his Social Security benefits, Railroad Retirement annuities, earned income, and qualifying retirement income (pensions, annuities, interest, dividends, and rents). The taxpayer should also write "RIC" on line 17, Form 1040.

Older Americans should also be aware of the special payment or credit available under the recently enacted Tax Reduction Act of 1975.

This payment, called the earned income credit, is available to persons with total incomes of less than \$8,000 during 1975 and the payment can amount up to \$400. Total income includes earned income from salaries, wages, tips or other employee compensation, and self-employment earnings.

For individuals with incomes up to \$4,000, the refundable credit is 10 percent of their earned income only, to a maximum of \$400. Qualified workers with incomes between \$4,000 and \$8,000 also are entitled to the credit, but the amount of the payment decreases \$1 for every \$10

of earned income or adjusted gross income over \$4,000. No credit is allowable for those with incomes of \$8,000 or more.

In addition to the income requirement, taxpayers must have maintained a home in the United States for the entire year for themselves and at least one dependent child who was under 19 years of age or a full-time student.

DEANE B. BLAZIE CHOSEN AS ONE OF AMERICA'S 10 OUTSTANDING YOUNG MEN FOR 1976 BY THE U.S. JAYCEES

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. BAUMAN. Mr. Speaker, Marylanders are honored by the fact that one of the 10 outstanding young men for 1976 chosen by the U.S. Jaycees is Mr. Deane B. Blazie, a computer resource coordinator at the U.S. Army Human Engineering Laboratory at Aberdeen Proving Ground, Hartford County, Md., which is in my congressional district. Mr. Blazie is a resident of Churchville, Md. and was the first Army civilian employee to win this award in its 38 year history.

Mr. Blazie's award was based on the many hundreds of hours he has devoted to improving the lives of blind people through the use of electronic and mechanical devices. He was particularly honored for his invention of the audio-tactile display which allows blind people to employ the braille system for the purposes of "reading" answers on a calculator. This is a significant advance in the services available to the blind and Mr. Blazie is to be congratulated for this achievement.

I include at this point two articles from the Harford County Democrat, published in Aberdeen, Md., regarding Mr. Blazie's selection:

BLAZIE SELECTED AS ONE OF AMERICA'S TEN BEST

A 29-year old Aberdeen Proving Ground electrical engineer has been selected as one of America's Ten Outstanding Young Men for 1976 by the United States Jaycees.

Deane B. Blazie, a computer resources coordinator with the U.S. Army Human Engineering Laboratory here, was cited for his invention of a braille calculator, a device which is expected to open a variety of previously-restricted career fields for the blind.

According to historical records maintained at the Jaycees National Headquarters in Tulsa, Ok., Blazie is the first Department of the Army civilian employee ever to win the award, although several thousand have been nominated in its 38-year history.

The award is presented annually to 10 men between the ages of 21 and 35 who "represent the highest qualities of leadership and accomplishment." Previous award winners include John F. Kennedy, Gerald Ford, Nelson Rockefeller, Ralph Nader, and Dr. Henry Kissinger. This year's honorees, include the governor of Oklahoma, the chief assistant to President Ford, and a professional basketball player.

Blazie was honored last weekend at the Jaycees Annual Convention in Baltimore. He

was presented a certificate and a statute-like trophy depicting two outstretched hands, touching at the fingertips. The hands represent man's humanitarian efforts to help his fellow man.

"I really can't comprehend this," Blazie said of the award. "You really can't imagine what it's like until something like this happens to you. I still don't believe it. This is quite an honor."

Blazie, a Frankfort, Ky., native who currently resides with his wife and two sons in Churchville, Md., was nominated by Dr. John D. Weisz, director of the Human Engineering Laboratory.

"He (Blazie) typifies the American dream of starting from an average socio-economic level, striving for and achieving an extremely high level of accomplishment without losing humbleness and deep humanitarian convictions," Dr. Weisz stated in his nomination letter.

"He has spent hundreds of man-hours of his spare time devoted exclusively to improving the lives of blind people through a variety of electronic and mechanical materiel design developments which, when used by these handicapped persons enhances their lives materially and spiritually."

He added, "His latest development, an audio-tactile display (ATD), represents the world's first known system enabling blind people to use electronic calculators. This is a major breakthrough which will open to the blind a variety of previously-restricted career fields in business, mathematics, engineering, the sciences and other disciplines."

Blazie's invention is currently in use at the University of Kentucky. Patents paving the way for commercial development of the device are expected to be awarded shortly.

Blazie has been working with the blind and handicapped since he was 12. He is credited with developing electronic braille stop watches, electronic page markers and a variety of other smaller convenience items for the blind.

In the works are such ideas as paper money identifiers, digital counters for such items as thermometers and volt meters, and liquid level indicators.

Blazie, an Army veteran, holds a bachelor of science degree in electrical engineering from the University of Kentucky, and a master's degree in computer science from the University of Delaware. He is currently pursuing doctoral studies.

(Editor's Note: Procedures for nominating Department of the Army employees, civilian and military, are outlined in Army Regulation 672-6. Nominations for the 1977 awards should be submitted to the APG Incentive Awards Office no later than February 2, 1976).

BLAZIE'S INVENTION IS BREAKTHROUGH IN RESEARCH FOR BLIND

Deane Blazie's invention, the Audio Tactile Display (ATD), is the off-shoot of a relatively new concept of communication for the blind called "audio-tactile," or simply, sound-touch.

In essence, the Audio Tactile Display marries a metal braille numbers chart with a manually-operated electronic calculator. Through the senses of sound and touch, it permits a blind person to "read" answers appearing on the calculator.

A 5x7-inch metallic braille plate covers a small wooden framed box housing an intricate miniature electronics network that is the key to the system.

The cover plate has eight columns of braille digits ranging from "0" to "9" in each column with decimal points. The columns correspond to the eight digits on the viewer of the electronic calculator.

The calculator and the braille box are wired together, so that when a problem is worked out on the calculator, and the answer appears on its viewer, electronic impulses

are sent over to the box and automatically matched up with the corresponding braille digits.

Since the blind person obviously cannot see the answer on the viewer of the calculator, he "reads" the answer by gently running his fingers over the braille digits in each column.

For example, he starts at the extreme left hand column and runs his finger over each braille digit in each column until he hears a "beep". The beep is the signal that the braille digit is the number corresponding with the first digit on the calculator. He then continues through the remainder of the columns to get the remainder of the answer.

The ATD system has a number of special features built in, according to Blazie.

Like the calculator, it can read out any answer to any problem solved by addition, subtraction, multiplication and division. A single beep tells the blind person that the digit is a positive number, such as a +7. However, a continuous series of beeps indicates the digit is a negative number, such as -8. A different tone indicates a decimal point.

Should the blind operator makes an error while solving the problem on the calculator, the braille box will emit a constant "tone" without the operator touching any of the braille digits.

Blazie said prototype models of the system have cost in excess of \$2,000 to construct. However, he estimates that mass-produced commercial models can be sold for less than \$200.

Working prototypes are currently under analysis at the University of Kentucky, where they are receiving extensive use by blind students.

Commercial production is expected in the near future.

MIDDLEMEN, NOT FARMERS, TO BLAME FOR FOOD COST INCREASES

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. FITHIAN. Mr. Speaker, I rise to express growing concern about the effects of middleman charges in food prices, and what seems to be an increasingly noncompetitive food industry. Higher food prices will lead to decreased consumer demand for farm-produced food, and that means that domestic farm markets will be eroded. As the representative of thousands of Indiana farmers and thousands of individuals who live in communities where economic stability depends upon strong farm prices, I cannot stand by and watch this destructive force working to the detriment of farmers and consumers alike.

Farmers deserve fair prices for the food they produce. It is just not fair for middlemen to rip off American consumers at the expense of the American farmer. Yet figures indicate that while the farmer's share of the retail food dollar continues to drop, middlemen continue to rake in huge profits.

If my distinguished colleagues will examine the relevant statistics, as I have, I am sure that they, too, will be greatly disturbed by the increasing farm-retail spread—the difference between the retail cost and farm value of food. Higher food prices do not necessarily trans-

late into greater income for farmers, as one might expect. No, food producers end up with income that increases only slightly or actually drops, in some areas, while the middlemen pick up ever-greater profits. Consumers, in the meantime, are unaware of the dilemma faced by the farmer, and they blame high food prices on the producers. This leads to consumer misunderstanding of what our farm policy priorities should be, and it fuels the urban-rural rift.

As measured by a 65-item market basket, a typical American family paid \$126 more last year for U.S. farm-produced food than they did in 1974. Increased middleman charges accounted for nearly three-fourths of that price increase, amounting to \$91 out of the \$126 price hike.

These preliminary USDA figures point to the continuing problem faced by farmers who do not get a fair return for the food they produce.

Last year's statistics indicate that the "farm value" of items in USDA's market basket increased 4.7 percent from 1974, while the middlemen—those who transport, process and sell the food—increased their profits by about 9.1 percent. It seems strange to me that the middlemen should increase their profit by almost twice as much as the producers.

Figures released by USDA last week indicate that this trend is continuing, much to the detriment of the farmer. In December of 1975 the farmer's share of the retail food dollar was 41.2 cents. In January, that dropped to 39.9 cents. In other words, returns to farmers from retail food prices decreased 1.8 percent from December to January—an annual rate of almost 22 percent. Meanwhile, the farm-retail spread—the difference between the retail cost and farm value of a market basket of food—was 5 percent wider this January than it was a year ago.

And what is happening on the farm in this time? Production costs continue to skyrocket. Agricultural economists at Purdue University, located in the Second District of Indiana which I represent, estimate that the production costs for corn, soybeans and wheat will increase from 5 to 8 percent during the next 9 months or so. They predict higher costs for machinery, fuel, land, and labor.

The farm problem can be viewed in terms of net income, too, which pretty clearly shows that it is not the farmer who is benefiting from increased food costs. I do not yet have last year's figures, but I can tell my distinguished colleagues about what is happening to net farm income in my State of Indiana. The realized net income per farm was \$8,499 in 1974, compared with \$10,214 in the previous year.

Mr. Speaker, I cite all these statistics for my colleagues because I remain firmly convinced that we must re-evaluate our agricultural policies, keeping in mind that it is the middleman, not the farmer, who has profited most from food price increases. It is the middleman, not the farmer, who should explain food costs to the American consumer. It is the middleman, not the farmer, who should draw

our scrutiny in efforts we might make to keep food prices from skyrocketing.

Mr. Speaker, it is entirely possible that food cost increases have been padded with excess profit taking, price-fixing or artificially-created shortages to benefit an increasingly concentrated and non-competitive food industry.

As a Congress, we need to take the steps necessary to correct this apparent abuse within our free enterprise system. Unless we do so, rising food prices will continue to seriously erode the average family's income while farmers derive little or no benefit from profits that rightfully should be theirs.

Accordingly, I am today announcing that I have joined my distinguished colleague, Mr. VIGORITO, as a cosponsor of the Federal Food Marketing Appraisal Act (H.R. 11998). This bill would establish a temporary National Commission on Food Costs, Pricing and Marketing—which would automatically be abolished 90 days after submission of its final report—to investigate farm-retail price spreads, competition in food marketing and methods for increasing the efficiency of food marketing. The bill requires that this 15-member commission would submit its final report to the Congress and the President within 18 months after examining all facets of this important issue. As a member of the House Committee on Agriculture and its Subcommittee on Domestic Marketing and Consumer Relations, I am hopeful that we will proceed expeditiously in handling this much-needed piece of legislation.

It is my hope, Mr. Speaker, that this Congress eventually will act favorably upon this bill. I believe that it can represent a significant step in our effort to bring fairness into play for consumers and food producers alike. Perhaps as a result of the work of this commission, we can decrease the farm-retail price spread and bring more equity to bear in the whole issue of food prices.

AN ANALYSIS OF THE HOME-SELLERS TAX RELIEF BILL

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. McKINNEY. Mr. Speaker, on February 26 I introduced H.R. 12152, the homesellers tax relief bill, with a number of my colleagues joining as cosponsors of this proposal. Since the bill was originally introduced in January as H.R. 11563, there has been considerable interest from Members of Congress and the general public. To have available additional information on this proposal, I requested an analysis from the Economics Division of the Library of Congress.

The Congressional Research Service has responded with a thorough and objective examination of the pros and cons of this legislation. The report answers some of the questions that have been raised about the possible impact of

this change in the tax code. However, since we have no way of measuring the psychological forces that prompt the sale or purchase of a home, or similar decisions, any attempt to assign a dollar value to this legislation must necessarily be mere speculation. Instead, I invite anyone considering this bill to use his imagination to answer such questions as who would make use of this provision and how much the money saved benefit the people and the economy.

Mr. Speaker, as I said previously, this Library of Congress study does help to appreciate the features of this bill. For that purpose, I include it in the RECORD, as follows:

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., February 19, 1976.

To: The Honorable Stewart B. McKinney.
From: Economics Division.

Subject: Analysis of H.R. 11563, a bill to exempt capital gains on sales of a principal residence from the income tax.

H.R. 11563, introduced on January 28, 1976 by Congressman McKinney would exempt capital gains on the sale of a principal residence from the income tax. The exemption would only apply if the property was owned and used by the taxpayer as his principal residence for five of the previous eight years. The provision could only be used once by the taxpayer.

I. IMPACT OF THE BILL

The impact of the bill must be examined in the context of other provisions of the tax law which affect such sales. These provisions are discussed below:

A. One half of any capital gain is excluded from gross income.

B. For individuals age 65 or over the portion of gain attributable to the first \$20,000 of basis is excluded from income. (For example, if the residence is sold for \$40,000, 1/2 of the gain will be exempt; if the residence sells for \$60,000, one-third (\$20,000/\$60,000) of the gain will be exempt.)

C. There is a deferral of gain on the sale of a principal residence if a new residence is acquired within the specified period. In order to qualify the taxpayer must purchase a new residence within 18 months before or after the sale of the old. If the residence is newly constructed, construction must begin within 18 months and the taxpayer must occupy the new residence within two years. The new residence then has the basis of the old so that if the new residence is sold gain on the first sale and the second sale will be taxed unless the taxpayer uses the deferral provision again.

Full deferral only applies if the new residence costs as much or more than the sales price of the old. If the new residence costs less, the difference (up to the total amount of the gain) between the sales price of the old residence and the new residence is taxed as a capital gain.

This provision will be retained under the proposed bill.

D. When a taxpayer acquires a residence by inheritance, the gain is not subject to income tax at the time of death. In addition, the basis of the new residence becomes the fair market value at the time of death. Thus if the taxpayer sells the residence immediately little or no gain will occur.

Thus, a taxpayer will be subject to tax on all or part of the gain on a sale of a personal residence under the following circumstances:

(1) When he moves from a more expensive residence to a less expensive residence, if he is under 65.

(2) When he sells his residence and does not purchase a new residence within the time requirements, and is under 65.

(3) When he does either of the above and is 65 or over, but the sales price of the old residence exceeds \$20,000.

There may, of course, be a variety of circumstances which lead to a taxpayer desiring to take one of the actions listed above. The \$20,000 limit was enacted in 1964 and the value has been eroded by inflation. Thus it may be quite likely that some of the gain on sales by those 65 or over will be subject to tax because of the increase in housing prices.

There may be a variety of reasons that a taxpayer may elect to move to a smaller residence or not to purchase a new residence, including regional variations in housing prices for those who are relocating, changes in family circumstances, the supply of housing, mortgage interest rates and particular circumstances of the individual. Current tax treatment acts to encourage taxpayers to rent under such circumstances and to discourage home sales by taxpayers who might otherwise wish to sell. To the extent that these effects exist, there are distortions created in the housing market. However, there is no data available to estimate the impact on the supply and demand for housing arising from these circumstances.

II. REVENUE LOSS

Because of the lack of up-to-date data on realized capital gains by types of capital assets, it is extremely difficult to estimate the revenue loss from the changes proposed in the bill. However, based on the latest data on the share of gains realized on sales of residences and extrapolating to the present, the revenue loss may be estimated at roughly \$150 million. This estimate should be used with care, because of the limitations of the data on which the estimate is based.¹

III. ARGUMENTS FOR AND AGAINST THE BILL

A. Arguments for

(1) Capital gains are in large part a reflection of inflation and represent an illusory gain. In addition, the taxation of gain in one lump sum presents problems under a progressive rate structure since all of the gain is taxed in one year.

(2) Even if capital gain on investments is subject to tax, it is not appropriate to subject gains on the sales of personal consumption items such as homes. The purchase of a residence is less of a profit-motivated investment than are other types of investment. In addition, since the tax law does not recognize capital losses on the sales of personal assets, it is not equitable to tax capital gains.

(3) The present treatment in the tax law discriminates against taxpayers who are unable to qualify under other provisions of the tax law. For example, an individual over 65 in an urban area may find the \$20,000 base so low as to offer very little relief as compared to a taxpayer in a rural area. A taxpayer moving to a new area may find it difficult to acquire a new residence within the time limits or may not desire to purchase a new residence because of the expectation that he will not remain in the area for a long period of time. Taxpayers may wish to move to a smaller residence or an apartment because of reductions in family size or income.

(4) The \$20,000 limitation in the current provision has been substantially eroded by inflation. Elderly taxpayers whose residence represents much of their savings may find that saving reduced by the payment of capital gains tax.

¹ The latest data on capital gains by types of capital assets are for 1962. The estimate assumes that the proportion reflecting gains on the sales of residences remained relatively constant (with adjustments made for changes in the tax law). The resulting base is multiplied by the marginal tax rate to determine revenue loss.

B. Arguments against

(1) This provision will add to the extensive number of tax provisions in the law which favor investment in housing as opposed to alternative types of investments. This favorable treatment has distorted consumer choice and encouraged investment in housing as a substitute for business investment.

(2) Capital gains are already subject to favorable treatment not only because one half of capital gain is exempt but also because the taxpayer does not pay tax on gains as accrued but rather on gains when realized. This deferral of tax constitutes an advantage in itself. In addition, provisions in the law such as income averaging provide relief from excessively high income in one year due to the realization of capital gains.

(3) The present provisions in the law are designed for those particular circumstances requiring relief. The deferral provision recognizes that the sale of one residence and purchase of another is in the nature of an exchange and is something which the taxpayer may find necessary (e.g. due to job changes). The periods for reinvestment are liberal. The exemption for the elderly is designed to provide relief for such taxpayers. The limitation in the base orients the provision more towards the lower income elderly.

JANE G. GRAVELLE,

Analyst in Taxation and Fiscal Policy.

TWO BATTLES WON AGAINST THE BUREAUCRACY

HON. DEL CLAWSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. DEL CLAWSON. Mr. Speaker, last night's Washington Star contained a column by Mr. James J. Kilpatrick which, provides additional corroboration for the problems toward which H.R. 8231—sponsored by 140 Members of this House—is directed. I was particularly interested in the quotation attributed to U.S. District Judge Andrew Bogue of Rapid City, S. Dak.—

The execution of this law as opposed to the intent of it leaves much to be desired.

H.R. 8231 specifically provides a method of congressional veto of those rules of the executive branch which are contrary to law or inconsistent with congressional intent or which go beyond the mandate of the legislation which they are designed to implement. We are grateful to Mr. Kilpatrick for his supporting evidence and the column follows at this point in the RECORD for the information of my colleagues:

TWO BATTLES WON AGAINST THE BUREAUCRACY

(By James J. Kilpatrick)

The war against bureaucratic excess, as countless Americans know, is mostly a series of losing battles. You don't win many, but you do win a few. The business community, it is pleasant to report, has just won a major engagement in Texas and a brisk skirmish in South Dakota.

In both cases, the fight involved the Occupational Safety and Health Administration (OSHA). It is perhaps worth emphasizing that no businessman, in principle or in practice, is opposed to health and safety. The pervasive criticism of OSHA is not based

on the need for safety, but on the abuse of power.

In the view of many employers, OSHA issues regulations without number and often without reason. Some of the agency's inspectors, it is charged, are both stupid and arrogant. Under the law, these inspectors have power to function virtually as prosecutor, judge and jury; the inspectors, in effect, can impose fines that can be appealed only at heavy cost. In many cases, the federal inspections duplicate or conflict with inspections by insurance companies and by state agencies. But to the extent that OSHA has made employers more safety-conscious, it may do good.

The major victory came Jan. 26 before a three-judge federal court in the Eastern District of Texas. The case involved Gibson's Products, Inc., a discount store in Plano. On Oct. 23, 1974, OSHA inspectors presented themselves at the stores and demanded admission to non-public areas. Gibson's refused and they all wound up in court.

The 1970 act creating OSHA says that inspectors are authorized "to enter without delay and at reasonable times any factory, plant, establishment, construction site, or other area, workplace or environment where work is performed by an employee of an employer."

Gibson's took the view that the quoted provision violates the Fourth Amendment's prohibition against unwarranted searches. The three federal judges agreed. In an opinion by Circuit Judge Thomas Gibbs Gee, the court found that the act attempted "a broad partial repeal of the Fourth Amendment," and this is "beyond the powers of Congress."

In certain limited circumstances, said the court, federal agents may enter private property without a warrant. By way of example, agents may reasonably inspect such regulated and licensed activities as distilleries and gun dealerships. Agents may enter coal mines; they may inspect a pharmacist's records on drugs. But the Constitution does not permit "broad and indiscriminate inroads on Fourth Amendment safeguards, wrought in the name of administrative expedience." In brief: If an employer chooses not to admit OSHA inspectors voluntarily, the agents will have to get a judicial warrant under the familiar rules of probable cause.

In Rapid City, S.D., Ray Godfrey won his skirmish Feb. 19 before U.S. District Judge Andrew Bogue. Godfrey runs a small brake service. When a stranger purporting to be an OSHA inspector showed up last December, Godfrey demanded that the visitor prove his identity by filling out a detailed questionnaire that Godfrey had prepared for just such an occasion. The stranger balked, and OSHA took Godfrey to court.

Godfrey won a victory that was substantial if not total. Judge Bogue ruled that an employer may indeed demand that an intrusive public servant fill out a form of explicit identification, including such questions as "How long have you worked for this agency?" The court outlawed such impertinent queries as "Have you ever used an alias?" and "Do you have a criminal record?" and "What are your qualifications for your job?"

"It is the feeling of this court," said Judge Bogue, "that it might be possible, but not easy, to compress into the total lines contained in the OSHA law more fertile opportunities for doubt, error and abuse of individual liberties. The execution of this law, as opposed to the intent of it, leaves much to be desired."

The two judgments, and especially the Texas judgment, should relieve employers of some of the petty harassment that has rubbed them raw. OSHA inspectors, having been informed of specific violations, can still get warrants on a showing of probable cause. Well and good; but it won't be quite so easy, from now on, for them simply to throw their weight around.

THE FEDERAL REVENUE SHARING EXTENSION ACT

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. KASTEN. Mr. Speaker, with the expiration date of the revenue sharing program only 9 months away, State and local governments have been left dangling, unable to make long-range plans, unable to plan for the future. I have introduced legislation to provide for an 11-year extension to allow a smooth, continuous flow of Federal funds for essential community services.

The program is the most effective and efficient way to return Federal funds to State and local governments—much more effective and efficient than categorical grant-in-aid funds, where Washington determines local policies, priorities and funding levels.

On March 1, the Milwaukee Journal published an editorial offering an excellent argument for renewal of revenue sharing:

RENEW REVENUE SHARING

There is ample room for debate over the fundamental philosophy behind federal revenue sharing, in which those responsible for raising the taxes surrender much of the discretion for how to spend large chunks of money to recipient state and local governments.

But it is not a new argument. Congress debated the question extensively before it initially enacted revenue sharing in 1972. Although some conditions have changed since then—the federal deficit has grown while the condition of many state and local governments has stabilized—the old debate is still relevant, and worth reviewing, especially in light of the present hesitation Congress feels about renewing the program.

Revenue sharing was conceived by the Nixon administration as an element of "new federalism." It was seen as a way to ease the pressure on the property tax and sales tax and to shift more of the burden to the progressive income tax.

It was viewed as a start toward checking undue centralization of power in Washington, partly attributable to federal domination of the income tax and the enormous revenue yields it produces.

It also gained favor as an alternative to the mazelike growth of categorical federal grants, their incumbering red tape and the tendency of their local matching fund requirements to divert local resources away from local priorities to programs in which more federal money was available.

Of course Congress and recent administrations have deliberately and usefully doled out federal money in such a fashion as an incentive for states and municipalities to recognize and begin working on problems they had neglected. The largest share of federal money to state and local governments properly continues to push important national objectives.

Some of the present criticism of revenue sharing does not acknowledge the program's initial objectives, but faults the program for failing to make reforms for which it was not designed. Certainly some tightening of the rules is required, especially to be sure that the funds are not used to perpetuate discriminatory local programs. But attaching too many strings to the money would defeat the primary objective.

Another argument is troubling. "As long as the federal budget is in deficit, there are, in theory, no revenues to share," Rep. Brock Adams (D-Wash.) correctly points out. But flip the coin. Should state and local property and sales taxes be sharply increased to help close the federal deficit? That, in effect, is one thing that nonrenewal of the program would do.

As the Ford administration has argued, congressional action to cut back or shut off revenue sharing could be a serious blow to the effort to sustain economic recovery. Neither service cutbacks nor tax increases by municipal and state governments is desirable. A renewal of the revenue sharing program would be.

REFORM REGULATORY AGENCIES

HON. PHILIP H. HAYES

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. HAYES of Indiana. Mr. Speaker, it is my pleasure today to join ABNER MIKVA, my colleague from Illinois, in cosponsoring the Regulatory Agency Self-Destruct Act. This bill requires that after a specific period of time, certain regulatory agencies go completely out of business—or self-destruct—unless the Government agency can justify to the Congress the need for its continued existence.

My constituents have made their disdain for "big" Government abundantly clear. Liberals and conservatives alike are tired of unproductive bureaucracies. In our present regulatory structure they see duplications of Federal effort, unreasonable paperwork requirements, unresponsiveness, and long delays. They see commissioners appointed who have come from the ranks of the industry they are about to regulate and/or return to it after completing their Government service. They see agencies which have developed a protectionist attitude toward the industries they regulate, leaving the consumer and new businesses which hope to break into competition, out in the cold. Rates and prices rise, and so do the budgets and staffs of these agencies, until we find ourselves with almost a fourth branch of Government.

Ineffective and inefficient Government regulation has counteracted the benefits of a free and open marketplace. I am not advocating we erase 90 years of regulatory history—our economy is too complicated for that—but we can reform a system which presently stifles healthy competition and distorts economic patterns. There are three major areas of reform the Regulatory Agency Self-Destruct Act addresses:

DELAYS

Agencies often take years to settle cases. Such long periods diminish public confidence in Government and are clearly untenable.

LACK OF INFORMATION

Agencies all too often rely on the very industries they are supposed to regulate for basic data. This has led to the dependence of the regulators on the in-

dustries regulated and results in the destruction of objectivity and credibility.

POLITICAL PRESSURES

Conflict of interest charges against regulatory executives have become all too common. Officials appointed to serve in regulatory agencies must not have been associated with or employed by the industry to be regulated for at least 5 years prior to their appointment. It is time we gave public citizens who must suffer the end product a biased regulation an equal voice with industry.

It is my hope that the Regulatory Agency Self-Destruct Act will put an end to absurd situations such as the Civil Aeronautics Board—CAB—prohibiting the airlines from lowering their ticket prices, yet urging them to compete on frills such as movies, meals, and liquor; or having one railroad after another go bankrupt, while their regulatory agency, the Interstate Commerce Commission—ICC—continues to prosper.

I compliment Congressman MIKVA on a very creative piece of legislation and hope our efforts to streamline Federal regulatory operations succeed.

A TRIBUTE TO BROWN CITY, MICH.

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. TRAXLER. Mr. Speaker, we are very happy to be celebrating the Bicentennial of American Independence. Our Nation in the last 200 years has grown to become the greatest in the world, and we are proud to say that we are still progressing.

But we must remember that the reason we are so great is because of the many small communities that make up our country. We must remember in this Bicentennial Year to pay tribute and thanks to all of our small towns and villages throughout the country.

In 1976, we are equally proud in the Eighth Congressional District of Michigan to have a dual celebration. Along with the celebration of our Nation's Bicentennial, we are pleased to celebrate the centennial of Brown City, Mich., located in Sanilac County. During the week of July 11-17, the citizenry of this beautiful community will turn their attentions to the celebration of the city's 100th birthday. Keith Muxlow, the mayor of Brown City, displays a strong sense of pride in this community which is a dairy industry leader in the State of Michigan. I would like to share some of the history of this pleasant location with my colleagues.

The first settlers in this area in the mid-1800's were a hearty lot. They had to be, since the U.S. surveyors doubted the value of the land, and estimated that only 1 acre in every 100 was good for agriculture. The first recognized settlement in the area was Maple Valley Township in 1854. It was settled by Frank La-Cass who was later killed in the Civil

War. Expansions were made in the area as St. Mary's Parish was organized in Germantown in 1855. Burnside Township was organized in 1863. As these communities grew, more and more settlers were drawn into the area.

In 1854, John M. Brown moved into the area that was to become Burnside Township. At age of 29, he had come with his three brothers from Orleans County, New York, after the death of their father. Each had obtained 320 acres of land in what was to become Brown City and Burnside Township in an attempt to develop a farming business. John Brown was interested in development, and he saw to it that roads reached through 10 miles of forest land from the other settlements to his home. Indians lived on his property for a while, and wild game was abundant.

The true development of Brown City came about as the Port Huron and Northwestern Railroad moved through the area, and established a depot at the settlement of the Brown brothers. The depot bore the name of the Brown family, and the city essentially grew out of a railroad stop.

The agricultural and livestock interests of this community continued to grow until today it maintains a very important place in the agricultural role of Michigan's Thumb region. The areas has always been a shipping point and supply center for agricultural needs.

Other industry continues to grow in Brown City. Since the early 1900's, the city has had foundries, flour mills, brick and tile factories, and flax mills, many of which are still in operation. One of the key industries in the area is motor home construction. Some of the finest mobile homes in the United States are built in Brown City at the Travco and Xplorer companies.

The community is also an extremely well informed area. In the heart of Michigan's agricultural and industrial Thumb, the residents turn to the Brown City Banner for all their information on events of local significance. Robert and Elizabeth Warren are the publishers of this excellent regional newspaper, and residents of Brown City, Peck, North Branch, Melvin, Maple Valley, and Elk, Flynn, Burnside, North Branch, Speaker, and Lynn Townships all depend on the thorough reporting of this excellent journal.

The population of Brown City has fluctuated around the 1,300 level since 1900, with the largest levels being reached around 1920. This lovely area has persisted as a most pleasant residence where the people are helpful neighbors and firmly believe in a spirit of hard work and accomplishment. It is this very type of spirit that has allowed Brown City to become the peaceful, ideal site for living that it is.

Mr. Speaker, I hope that in our busy celebrations for the U.S. Bicentennial, you and all of my colleagues can take time out to remember small communities which have made America great, and send all of our best wishes for a prosperous future to Brown City, Mich., a great symbol of American tradition.

PETER RODINO'S SPEECH TO THE CITIZENS CRIME COMMISSION IN PHILADELPHIA

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. EILBERG. Mr. Speaker, on Thursday, February 26, I had the pleasure and honor to introduce the distinguished chairman of the Judiciary Committee, PETER W. RODINO, JR., who was the main speaker at the "Report To The People" dinner of the Citizens Crime Commission of Philadelphia.

This group of civic leaders is devoted to the fair and effective enforcement of our criminal laws and some 1,000 people turned out to hear Chairman RODINO.

At this time I enter into the RECORD, Chairman RODINO's speech to the crime commission:

SPEECH OF HON. PETER RODINO

Mr. Eilberg, Judge Jamieson, Mr. Cox, Mr. Lennox, distinguished guests. Ladies and gentlemen.

Thank you for inviting me to participate in your annual report to the people dinner.

Your presence in such numbers is an eloquent expression of your concern, commitment—and it encourages all of us who are engaged in this war against crime.

Coming to Philadelphia in this Bicentennial Year is rather like making a pilgrimage.

Here are the brave echoes of America's past, the tangible signs of its present; here, too, are the hopeful symbols of its future.

We have come far in two centuries, and while we can be justly proud of what we have accomplished, we are painfully aware of how far we have to go. By your presence here tonight, you have indicated your understanding of the tasks that still lie ahead. And it may be that the most difficult of them all is the relentless battle against crime.

Here in the heart of this city, were our Founding Fathers once walked, few people now dare to set foot after dark. Where once was heard the clarion call to arms by those who fought for liberty and justice, there is a far different and terrible use of guns today.

It is encouraging that so many men and women have, for 21 years, given of their time and talents to improve our system of justice and reduce the problems of crime. But what a tragic commentary on our times and our society that we have such desperate need for a Citizens Crime Commission in Philadelphia or in any other city.

Yet if this struggle against crime is to succeed it is your leadership—citizen leadership—that will show the way. The list of your enlightened and responsible achievements is impressive, and still the goal you seek eludes you as it eludes every city and town and village in America.

That goal is, of course, the reduction of crime that squanders our time, talent, money and our hope. But in the broader sense, the goal is the same today as it was in 1776—life, liberty and the pursuit of happiness for all Americans. Two hundred years ago this new Nation stood firmly against a foreign king who sought to deny its people those precious rights. Today that Nation must stand firmly against some of our countrymen who would violate those rights by their lawlessness.

But the sad truth is that we are not standing firmly. In Philadelphia, as in every city in America, the crime rate is tragic testimony to our inability to make substantial progress against crime.

Each year we spend billions of dollars on police services alone, but still crime increases.

We have tried new rehabilitation and job programs for offenders, better street lighting, more citizen participation, improved training for law enforcement personnel—nothing seems to work.

What then can we do? Where can citizens and government turn for the answers?

Today, our efforts to solve the problems of crime are crippled by a cynical and suspicious public attitude. Too many of our people have turned in apathy or disgust from their responsibilities as citizens.

Too many others in desperation and fear call for longer and harsher prison sentences in the belief that this will cure us of the disease of crime.

On every side those disgusted with government and dismayed with our political processes tell us that our institutions are corrupt, that the system is not working.

I cannot accept this faulty analysis. It is not our system, our institutions that have failed—but our leaders. Our Nation is suffering from too many years of weak, aimless and sometimes unprincipled leadership. We careen from crisis to crisis. One set of problems is left unsolved while our attention is diverted to another.

If, however, we are to overcome crime, we must take strong, determined action, but always with justice and respect for the rights of all people.

I believe that we must begin a carefully focused, well-planned and coordinated effort to root out and destroy the basic causes of criminal activity. I have no foolproof answers to our problems, but I know—and so do you—that there are many positive steps we can and should take.

First, we must remove from society the principal weapons used by criminals and the deadly narcotics that are the chief stimulus for crime.

Secondly, we must restore to this country a moral and social climate that will not tolerate crime, and an economic climate of well-being that will ensure equal job opportunities and make it more profitable to work than to steal.

Thirdly, we must reform and improve our system of justice to provide swift, certain and fair punishment for offenders, and to correct the deplorable and degrading conditions in our prisons.

If we attack on those three fronts we can make advances in the war against crime. These goals are not new. But until now we have been content to approach them piecemeal, one-at-a-time, with little or no realization that they are closely related. I realize that there are deep disagreements over many of these subjects. We should welcome opinions and debate, but we should insist also that these be rational and productive.

Nowhere is the need for informed discussion and agreement more urgent than on the subject of gun control. Public opinion polls tell us that a majority of Americans want handgun registration and limits on the production and sale of easily-concealed pistols and revolvers. Despite this support, the debate in Congress still is controlled largely by the opponents of gun control who are well-organized, financed and persistent.

These lobbying efforts have repeatedly thwarted enactment of responsible legislation, and they threaten to do so again. As you are aware, gun control bills are now before the Judiciary Committees in the House and Senate.

I am pleased to report that on Tuesday, the House committee voted by a narrow margin to include in the bill a ban on the production and sale of concealable handguns. In addition, the measure would require a delay between the sale and delivery of a handgun to permit a check on the purchaser's background. Unfortunately, the committee rejected provisions for gun registration.

Still, this legislation represents a real step forward in the effort to disarm criminals.

But victory is by no means assured. The gun lobbyists are certain to mount their most vigorous effort to defeat this bill.

I know that your Commission has played an active and honorable role in support of gun control. Now I must call on you to redouble your efforts in the name of justice and the protection of our citizens. Only if the voice of the people is heard in Congress can the will of the people be done.

Personally, I am convinced that, except for law enforcement and strictly-controlled sporting uses, handguns have no valid place in our complex society. For every person who defends himself with a pistol or revolver, thousands more die needlessly in accidental or deliberate shootings.

The figures cited by your president, Judge Jamieson, provide a compelling case for control or outright elimination of handguns that have no purpose except for crime. But if this objective is to be reached we must start now by enacting the best, most responsible gun bill possible. Your support, and that of every citizen, is vitally needed.

While there is disagreement over the merits of gun control, there is none over the fact that narcotics addiction and the crime it causes are evils that we must eliminate. But our past efforts have been fragmented and ineffective.

Each year, the cost in property losses, enforcement and treatment programs, and health care caused by drug abuse and drug-related crime is estimated to be as much as 17 billion dollars. And beyond this, the cost in broken homes, wasted lives and terrible suffering cannot even be measured.

I believe that the best solution to the problem of hard drugs is the elimination of the sources of supply. For years I have urged the President and the Department of State to use the full weight of their international influence to persuade opium-producing countries to curtail production and help to prevent narcotics from entering our country through illegal channels. In addition, other Members of Congress and I have introduced legislation that would cut off all American aid to those nations who refused to cooperate.

We must, as well, use every legal means at our disposal to break up the international criminal networks that smuggle narcotics into this country and distribute them. And we should broaden existing programs, or create new ones, to identify, treat and hopefully cure addicts.

One such program deserving careful attention is TASC, treatment alternatives to street crime. This federally-supported effort has had excellent initial success in a number of pilot cities by helping thousands of addicts kick their habits and become productive members of society. In fact, the TASC program in Philadelphia, the second largest in the country, has been made a permanent part of the local criminal justice system.

We should recognize also the special problems posed by the growing number of women addicts who have been seriously neglected for years, and who are now turning to violent crimes to support their addiction.

All of these efforts will gain us little, however, unless we move forcefully to improve and reform our overburdened and faltering system of criminal justice.

As your own court observers program has shown, there is gross disparity in the sentences meted out by our courts to offenders of similar backgrounds who are convicted of similar crimes. These inequities exist in large part because we have given to our judges broad discretion without an overall framework to promote fairness and even-handed justice.

Together with Senator Kennedy I have introduced legislation that would establish a national sentencing commission to draft guidelines for Federal judges who, today, must apply their own attitudes and perspec-

tives in an environment charged with the conflicting arguments of prosecutors, defendants, defense attorneys, penologists and a concerned and often angry public.

But these reforms are by no means sufficient.

Sadly, some judges are of questionable competency, placed on the bench by political influence rather than ability. The entire system is overburdened and overworked. Our prisons are a national scandal and our rehabilitation programs are failures.

Nearly 80 percent of the street crime in the United States is committed by persons already convicted of at least one offense. Until our courts and prisons function effectively and fairly, we can expect no decline in this terrible statistic.

Just this week, the Chief Justice of the Supreme Court in my own State of New Jersey, together with other leading judges and lawyers, called for important changes in the way we process and sentence convicted offenders.

Mr. Chief Justice Richard Hughes recommended that crimes involving violence be tried first, and that those found guilty receive more rigid sentences. I agree.

Bitter experience has shown us that we do not have the means to rehabilitate many violent and dangerous offenders. Until we can, there appears to be no alternative to tough sentences for such persons to protect society.

On the other hand, many of those involved in nonviolent or minor crimes can become useful, productive citizens if reached in time with proper training and treatment.

To accomplish this we will need to make substantial improvements in our prisons and probationary programs. The cost will be high—yet look at the price we are paying today for our inaction.

But our work cannot be confined to the legal system alone.

We must marshal our economic forces to break, at last, the vicious cycle of poverty and crime by providing jobs with a future to those who are qualified, and training to those who lack skills but not ambition.

We must create in our communities an attitude that signals the criminal that there is no place for him—but we must also send the signal that there is help and opportunity for those who wish to be useful, productive citizens.

In addition, we must recognize that the white collar criminal is as much a public menace as his colleague in the street. Each year white collar criminals steal more than all the burglars, robbers and shoplifters combined. Yet few are caught and fewer still are punished. The message is obvious: crime can pay, and for those engaged in so-called economic crimes, crime does pay. Those who go to prison for street crimes involving a few dollars must wonder at the hypocrisy of society.

These priorities cut across racial, ethnic and religious lines. The best way I know to prevent crime is to foster the concept of pride in our communities, of character and of a stake in the future for all men and women.

This will not come easily in our cities where suspicion and strife and hostility have become a way of life. And yet there is no acceptable alternative. Until each of us is willing to reach out to others, to work together to build a decent place for all to live and work, the problems of crime and injustice will never be solved.

Here the people must take the lead. We must teach our children that crime, in any form, is not acceptable. Our schools—our families must meet their obligations to show that decency, integrity and honesty, values which helped in the building of this Nation, are the foundation on which we build the future.

There is still more we can do.

The Judiciary Committee is studying legislation that would create programs to compensate innocent victims of violent crime, especially those who lack the means to pay costly medical expenses. Another bill would compensate the families of police and firemen killed in the line of duty. It is the least we can do for those who gave their lives, careers and fortunes to protect society from the lawless.

The committee also is conducting a painstaking examination of the Law Enforcement Assistance Administration to determine whether that agency has met its mandate to encourage an innovative and integrated approach to the problems of both law enforcement and criminal justice.

There has been much criticism of LEAA, some of it fully justified. In eight years, LEAA has spent nearly four billion dollars—and the problem of crime has increased alarmingly. Yet, I am not prepared to argue that LEAA should be shut down. The complex and painful issues that confront us did not arise overnight and they will not be dispelled overnight.

But I do believe that LEAA could be doing a better, more efficient job.

In particular, it should begin to evaluate more seriously the success or failure of its own programs, so that it may better help states and localities understand just what works and what doesn't.

After the expenditure of four billion dollars we have a right at least to ask what, if anything, we have learned about the causes of crime, and how, if at all, are we better equipped to use our resources in the fight against it.

If we are to act decisively and responsibly, we must have in the executive branch of government an informed, objective and non-political agency, ably staffed and properly managed. I hope that LEAA can meet that test, and I am prepared to support necessary modifying legislation if it does not.

As we begin our crucial work, we need courageous and principled leadership. And tonight, I see here just such leaders. Some of you are lawyers, judges, educators or businessmen—all concerned citizens. All of you have a grave responsibility to your community and the Nation.

You have helped mobilize your community to fight crime. Some of you have traveled around the world for ideas that would serve us at home. You have worked to improve police services, the courts and juvenile justice. You have shown a dedicated concern for the rights to privacy.

Now your Nation asks more of you. We of the Congress look to you, and millions of citizens like you, for informed debate and consensus, and for the perseverance, commitment and support to turn ideas into reality. To be unyielding in pursuit of your great goals.

In the first year of our Republic, Thomas Paine wrote, "those who expect to reap the blessings of freedom must . . . undergo the fatigue of supporting it."

Your responsibility—mine—is to undergo that fatigue, no matter how painful. To support freedom, no matter the cost. In the past 200 years we have come far as a people and as a Nation. We have far to go—we cannot stop now.

NO MORE FOR THE CORPS?

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. McCLOSKEY. Mr. Speaker, a recent Brookings Institution report raised

certain questions about the future direction of the U.S. Marine Corps. Ex-Marine Jim Wright, assistant editorial director of the Dallas Morning News, wrote what I believe to be a particularly appropriate response.

The article follows:

[From the Dallas Morning News, Feb. 6, 1976]

NO MORE FOR THE CORPS?

(By Jim Wright)

The Marines, having 200 years of history to draw upon, are probably not surprised that a couple of whiz kids at Brookings Institution have done a study, in which the scholars decided that the old Corps is a back number and will have to be done over or disposed of.

This routine has occurred after every war this century. The Corps fights abroad for the country, then returns to find that it is in peril of being economized or intellectualized out of existence. So what else is new?

The gist of the new study is the conclusion that the Corps, with its historical specialty of amphibious assault, "cannot remain as it is, structured for the past rather than likely future contingencies."

As interpreted—perhaps misinterpreted—by my colleagues of the press, the idea is: Since Marines don't do anything but slosh ashore on Pacific beaches—and that sort of thing isn't done anymore—who needs Marines?

Let's look at that theory. First, in passing, let us recall that this is not the first time that the experts have concluded that modern technology has made amphibious warfare as dated as chariots. After Great Britain's Gallipoli fiasco in World War I, military experts said that the machine gun and modern artillery had made such operations impossible.

The Marines did not agree. Between major wars, Marine thinkers devised and worked out by trial and error a concept of amphibious assault on a fortified beach. When World War II came along, the U.S. was the only—repeat, only—nation with a well-developed, workable doctrine for carrying out this most difficult of all military operations.

In that war, not only Marines but also U.S. soldiers were able to get ashore against fierce opposition with the help of an incredibly complex but practical tactical system developed in the '20s and '30s.

But let us say, for argument's sake, that this time the experts are right. Daylight landings from amtracs, LCVPs and the like are over for good. Does that mean that the day of the Marine Corps is also over? Hardly.

The whiz kids seem to be overly fascinated with one of the Marines' methods of getting to the battle. It's a little like saying that the Pittsburgh Steelers used to go to the stadium on game day in diesel buses but the city fathers have decided to ban buses and use streetcars for transit, so now the Pittsburgh Steelers should be disbanded and replaced by a team of streetcar conductors.

It's not so much how you get to the field, it's what you can do once you get there.

Marines are essentially assault infantry, teamed with air, tank and artillery units manned by other Marines dedicated to supporting assault infantry. They are the best land-sea-air combined arms team in the world.

Amphibious assault is a Marine specialty but it's not the only one. It never has been. Marines' training is designed to instill not only discipline but the flexibility to use whatever terrain and technology fits the need.

Actually, the Brookings deduction that massed waves of landing craft make an unmissable target for an alerted, modern enemy is not exactly news to the Corps. More than two decades ago a Marine general named Merrill B. Twining and some of his contem-

poraries figured that out and worked up a doctrine for bringing Marine infantry and artillery into combat on helicopters. Twining and the other military prophets called this "vertical envelopment."

This was the doctrine later perfected in Vietnam. It was strange to read stories in the mid-'60s about the Army's supposedly new invention, air-mobile warfare. It was strange because quite a few of us had been hitting LZs from the helicopters of HMX-1 a dozen years before the Army's invention took place.

Again, the Corps has had to look ahead and develop new tactics and techniques, because its critics have always been busily at work trying to do away with it. Marines enjoy laurels but fortunately for us all have never been allowed to rest on them.

I have no doubt that somewhere there are Marines working on ways of using rockets or time machines to carry Marine riflemen into battle. I know also that Marine commanders are training their troops to fight like Marines in every godforsaken spot imaginable.

This Brookings idea—if it doesn't look like Iwo Jima, Marines can't go there—would have brought sour comments from my colleagues in the First Marine Division back in the mid-'50s. The old 1st MarDiv won its fame on the World War II beaches, but it had just returned from Korea, where it had not only stormed a beach but destroyed a goodly number of Chinese and North Korean divisions in mountain warfare, far from the surf.

Camp Pendleton, home of the division, has some beautiful beaches and we spent a lot of time in those days sloshing ashore over them. But we spent as much or more time in extensive training for desert warfare, out at 29 Palms. And the battalions were constantly rotating up into the mountains around Pickle Meadows for cold weather and mountain warfare training.

The 1st was then and undoubtedly is now the only U.S. division trained and acclimated to fight on a beach, a mountain range or a desert.

You can be sure that Marines today are more concerned than any think tank denizen about the means and conditions of future battlegrounds. They expect to be there. But the Corps has always gone on the principle that while metal and methods are important, the critical factor is the man himself, the individual Marine.

Some additional thoughts on that next week.

MILITARY AID TO REPUBLIC OF KOREA

HON. EDWARD J. DERWINSKI
OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. DERWINSKI. Mr. Speaker, the International Security Assistance Act of 1976 is being reported to the floor today. In the International Relations Committee one of the most controversial issues these past few months has been our continued military aid to the Republic of Korea. As I said in my supplemental views in the committee's report: In my judgment we cannot prematurely withdraw our forces from Korea. We must maintain a readiness and visibility in the Far East.

One of our distinguished colleagues from the other body, Senator JAKE GARN of Utah, recently returned from a visit to the Republic of Korea. His findings will be published in March in a book en-

titled "Korea in the World Today," edited by Dr. Roger Pearson of the Council on American Affairs in Washington, D.C. Our colleague, Congressman JOHN MURPHY of New York, has also contributed a chapter to this study.

I would hope that many of our colleagues will be able to read Senator GARN's timely report on the current situation in the Korean peninsula; I, therefore, insert it in the RECORD at this time:

CONCLUSION AND RECOMMENDATIONS FOR THE FUTURE

(By Senator JAKE GARN of Utah)

The United States is now entering its third century at a perilous time. We live in a time when the cause of liberty is losing ground in many parts of the world. Three countries in South East Asia have lost their freedom for years, probably for decades. The valiant efforts of our armed forces and of the people of South Vietnam, Cambodia and Laos were not enough to stop the Communist tide. Thailand, Malaysia, Singapore and the Philippines are now desperately concerned about their own futures; some of them are making accommodations with Communist China and who among us can blame them?

In Europe NATO is in disarray. Greece and Turkey are on the verge of leaving the alliance; Italy is tottering from one governmental crisis to the next; the French hold themselves aloof from their natural allies; the British are paralyzed by economic malaise and a near-civil war in Ulster. Portugal, at best, may narrowly avoid going Communist. Only West Germany can be counted upon at this moment in history. Outside of NATO, Spain is now entering a critical period. Central Africa is now in turmoil and as I speak these words, the pro-Western forces in Angola are being routed by a Russian supported army spearheaded by Cuban troops. Zaire and Zambia are in serious danger and the vital sea link around South Africa is now in jeopardy.

Elsewhere in Africa, the Soviets have secured considerable influence for themselves in at least a half dozen other nations from Somalia to Guinea-Bissau. The Middle East is now a powder keg. India has a military alliance with the Soviet Union. Communist inspired insurgencies are brewing in Peru and other South American nations, including the strategically vital Republic of Panama. Cuba, of course, is a hostile state only 90 miles from our shores.

THE STRATEGIC IMPORTANCE OF KOREA

In Korea at this time the situation is serious. The Republic of Korea is a key part of the strategically important Northeast Asia area of the world. It has often been pointed out that Korea is geographically a dagger pointed at the heart of Japan. A Korea in the hands of a hostile power would be a serious menace to the security and independence of the strongest non-Communist nation in Asia. It is on and around the Korean peninsula that the interests of the four Great Powers in Asia (the Soviet Union, Communist China, Japan and the United States) interconnect. It has been the great misfortune of the Korean people to see their part of the world fought over by Great Powers three times in this century (The Russo-Japanese War in 1905; The Second World War in 1945 and the Korean Conflict in 1950).

We cannot close our eyes to the dreadful possibility that another conflagration might start in the near future. We all know that the North Koreans are even now digging tunnels through solid rock under the Demilitarized Zone. On a visit to Korea last January I was briefed by the South Korean Ministry of Defense on these tunnels. At Panmunjom I saw rail equipment and materiel taken from tunnels and it was evident that it was built to allow at least several

thousand North Korean troops to infiltrate behind the South Korean lines in a very short time. The military effect of this technique, of course, would be considerable, especially if the Communists plan to wear South Korean uniforms. The Communists also are making periodic guerrilla raids on parts of the South Korean coasts. It is a strong plus, however, that none of these raids have been really successful; this is due to the united determination of the South Korean people in all parts of the country to resist infiltration of any kind. Despite this lack of success, however, the North Koreans have greatly stepped up their propaganda campaign in recent months. All these factors, taken together with the Communists' diplomatic offensive of this past year, indicate that the North Korean politburo is certainly seriously considering another try at invading the South.

I earnestly hope that the United States Congress will learn from history and will steadfastly support policies which will avoid a repetition of the devastating 1950-53 war that cost the people of both Koreas immense suffering and that cost the United States 53,000 men. We should not forget that other members of the United Nations, especially Australia, also sacrificed many of their young men. For the sake of all those people who gave their lives and for the sake of their families we should resolve that such a terrible war will never happen again.

In my judgment, the best way of avoiding a war in Korea or anywhere else is by being prepared—better prepared than any potential aggressor so the aggressor will think long and hard before making sacrifices in a vain cause.

MEMBERS OF CONGRESS HONORED

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. TEAGUE. Mr. Speaker, on March 2, 1976, the American Legion honored Members of Congress at their annual congressional banquet.

The message which Commander Wiles delivered during the banquet was most inspiring, and I am pleased to insert it in the RECORD at this time:

MESSAGE OF HARRY G. WILES, NATIONAL COMMANDER, THE AMERICAN LEGION

Ladies and gentlemen, distinguished guests all, this banquet is regarded by the American Legion as one of the true highlights of our American Legion year. And even more so in this very special year in the history of our country—our Bicentennial year—I consider it a great personal honor to be serving as National Commander of The American Legion. I know I share with you a great pride in being in a position of leadership in these great United States as we observe America's 200th Birthday.

I want to take this opportunity to thank our special guests of this evening. I'm, of course, speaking of the members of the Congress of the United States, both here at the head table, and throughout the audience. We are appreciative for your taking the time to be with us tonight. This is our way of saying thank you for the many wonderful things you have done for America's veterans, and for the help you have given us in seeking to carry out our reasons for being—service to God and country and to our fellow man.

On behalf of all American Legionnaires, throughout this land and around the world, I want to express our sincere appreciation for the courtesy shown to us today by the mem-

bers of both the House and Senate Veterans Affairs Committees. The most important aspect of this conference is the opportunity you offer us to present in great detail what we consider to be the major problems facing America's veterans, and to offer for your consideration, our proposed solutions to those problems.

I want to thank you also for the many individual acts and offers of support for The American Legion and the American Legion Auxillary in helping to overcome a potentially crippling roadblock in the path of our Boys State and Girls State programs.

We who served our nation in wartime should have but one objective in mind in this milestone year in the history of our great country, and the following is what I perceive that objective to be:

"The high resolve of each of us who loves this country should be to do everything in his or her power to insure that this great nation launches her third century in freedom and in strength. With respect for the past, our concern must be for the future. We must work to insure that our children and their children may live in peace to launch yet a fourth century in the history of a nation with an ever improving quality of human freedom."

Everyone in this room is well aware that the United States did not ascend to a position of world leadership from a position of weakness, indecision or vacillation. This is not the time for backsliding that would mire us even deeper in the morass of self flagellation.

When I think of our position in the world today, I am reminded of a remark attributed to the late great Sir Winston Churchill, who became irked with the protestations of a political opponent that he (the opposition) was just a "modest man." The great Churchill thundered in reply words to this effect: "and well he should be. He has so much to be modest about."

My friends, we of The American Legion believe the exact opposite to be true of the United States of America. We believe in our country and the things she has achieved because of the greatness of her people. The greatness of the American people has not deteriorated, and the accomplishments of this great nation rank on a par with, or superior to, those of any civilization the world has ever known.

This great Bicentennial year offers us the opportunity to reaffirm to all the world that we shall not stray from the path of greatness, and The American Legion is pledged to do everything within our power to help show the way.

Some events of the past dozen years, both foreign and domestic, have led some Americans, including some of our leaders, to be hypercritical of our system and of our way of life. We would be among the first to concede that ours is not a perfect system. It is always subject to improvement, and we of The American Legion are ever working for such improvements.

One of the great strengths that is ours is that our founding fathers had the wisdom and the foresight to build into our system the many peaceful and legal means by which change and improvement could be accomplished.

The Bicentennial message of The American Legion to the Congress of the United States is a message of thanks for the many great things that have been accomplished on behalf of America's veterans and on behalf of all Americans—things that could not have been accomplished but for the diligent efforts of a concerned and understanding Congress serving throughout our national existence.

Our Bicentennial message to the Congress and to all of the American people is a message of the faith, the trust and the confidence which The American Legion has in

our people, our system of government and our way of life. In times of crises throughout our history, Americans have performed at their very best.

Let the hallmarks of our history be the guidelines for our future, and may the Congress always insure that America has the capabilities she needs to provide for the common defense. And may the American people have the will to defend our freedoms so that when America celebrates her 300th birthday, those who observe the event still will be citizens of the land of the free and the home of the brave.

CHECKLIST FOR SENIOR CITIZENS

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. MAZZOLI. Mr. Speaker, each year the Senate Committee on Aging publishes a checklist of itemized deductions for individual older taxpayers.

The purpose is to protect older Americans from overpaying their income taxes.

Hearings conducted by the Committee on Aging have made it abundantly clear that many elderly persons needlessly overpay their taxes every year.

Witnesses have cited several reasons. First, large numbers of older Americans are overwhelmed by the complexity of the tax law and the tax form.

Second, many aged taxpayers are simply unaware of the helpful deductions which can save them precious dollars.

In addition, this summary offers guidelines for individuals to determine whether it would be to their advantage to itemize their deductions or compute their taxes on the basis of tax tables.

Persons who may subsequently discover that they have overpaid their taxes in prior years have recourse. They may file an amended return—Form 1040X—to claim deductions initially overlooked. Form 1040X must be filed within 3 years after the original return was due or filed 2 years after the tax was paid, whichever is later.

The summary also contains a brief description of other tax relief measures for older Americans, such as the retirement income credit, the total or partial exclusion of a gain on the sale of a personal residence, and others. Changes in the 1975 Tax Reduction Act are also incorporated in this summary.

In order that these senior citizens might have a handy checklist for determining these deductions, I am enclosing the following material in the RECORD:

BASIC FILING LIMITS

Required to file a tax return if gross income is at least—

Filing status:	
Single (age 65 or older).....	\$3,100
Qualifying widow(er) 65 or older with dependent child.....	3,400
Married couple (1 spouse 65 years or older) filing jointly.....	4,150
Married couple (both spouses 65 or older) filing jointly.....	4,900
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, 1976, you will be entitled to the additional \$750 personal exemption because of age for your 1975 Federal income tax return.

Tax Credit for Personal Exemptions.—In addition to the \$750 personal exemption, a tax credit of \$30 is available for a taxpayer, spouse, and each dependent. No additional \$30 credit is available, however, because of age or blindness.

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 or less. (The election can only be made once during a taxpayer's lifetime.) If the adjusted sales price exceeds \$20,000, an election may be made to exclude part of the gain based on a ratio of \$20,000 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.

Retirement Income Credit.—To qualify for the retirement income credit, you must (a) be a U.S. citizen or resident, (b) have received earned income in excess of \$600 in each of any 10 calendar years before 1975, and (c) have certain types of qualifying "retirement income." Five types of income—pensions, annuities, interest, and dividends included on line 15, Form 1040, and gross rents from Schedule E, Part II, column (b)—qualify for the retirement income credit.

The credit is 15% of the lesser of:

1. A taxpayer's qualifying retirement income, or
2. \$1,524 (\$2,286 for a joint return where both taxpayers are 65 or older) minus the total of nontaxable pensions (such as Social Security benefits or Railroad Retirement annuities) and earned income (depending upon the taxpayer's age and the amount of any earnings he may have).

If the taxpayer is under 62, the \$1,524 figure is reduced by the amount of earned income in excess of \$900. For persons at least 62 years old but less than 72, this amount is reduced by one-half of the earned income in excess of \$1,200 up to \$1,700, plus the total amount over \$1,700. Persons 72 and over are not subject to the earned income limitation.

Schedule R is used for taxpayers who claim the retirement income credit.

The Internal Revenue Service will also compute the retirement income credit for a taxpayer if he has requested that IRS compute his tax, he answers the questions for columns A and B, and he completes lines 2 and 5 on Schedule R—relating to the amount of his Social Security benefits, Railroad Retirement annuities, earned income, and qualifying retirement income (pensions,

annuities, interest, dividends, and rents). The taxpayer should also write "RIC" on line 17, 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 15, Form 1040).

Insurance premiums

One-half of medical, hospital or health insurance premiums are deductible (up to \$150) without regard to the 3% limitation 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 15, Form 1040).

Other medical expenses

Other allowable medical and dental expense (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 treatments 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.
- Lip reading 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.
- Physician.
- Physical therapist.
- 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 purposes (7¢ 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' pension or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, recovery of pension costs, dividends 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 15, 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 for 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¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in 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 charges as interest if no part is for service charges, loan fees, or 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.

Child and disabled dependent care expenses

A taxpayer who maintains a household may claim a deduction for employment-related expenses incurred in obtaining care for a (1) dependent who is under 15, (2) physically or mentally disabled dependent, or (3) disabled spouse. The maximum allowable deduction is \$400 a month (\$4,800 a year). As a general rule, employment-related expenses are deductible only if incurred for services for a qualifying individual in the taxpayer's household. However, an exception exists for child care expenses (as distinguished from a disabled dependent or a disabled spouse). In this case, expenses outside the household (e.g., day care expenditures) are deductible, but the maximum deduction is \$200 per month for one child, \$300 per month for two children, and \$400 per month for three or more children.

When a taxpayer's adjusted gross income (line 15, Form 1040) exceeds \$18,000, the deduction is reduced by \$1 for each \$2 of income above this amount. For further information about child and dependent care deductions, see Publication 503, Child Care and Disabled Dependent Care, available free at Internal Revenue offices.

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 the 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 33, Schedule A, Form 1040) or a credit (line 51, 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 is one-half of the political contribution, with a \$25 ceiling (\$50 for couples filing jointly).

WISCONSIN WINNER OF THE VFW VOICE OF DEMOCRACY PROGRAM

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. ZABLOCKI. Mr. Speaker, I was pleased and honored to read the outstanding and perceptive speech commemorating our Nation's Bicentennial, written by Miss Judy Ann Getts, the 16-year-old Wisconsin winner in the VFW "Voice of Democracy" program, who resides in my district.

Judy Ann Getts, a talented high school junior at Wauwatosa West High School in Wauwatosa, Wis., has demonstrated leadership and scholastic excellence. She shows promise in the fields of journalism and music. Her credentials include a first place award in poetry, Marquette Webster Club; a member of the National Thespians Society, and various awards for excellence in drama, forensics, and crafts.

Every year, the Veterans of Foreign Wars offer our high school students the opportunity to voice their thoughts on freedom and democracy. Five national scholarships are awarded for the most thought-provoking and originally written speeches which are well articulated on tape. Most appropriately, the topic this year is "What Our Bicentennial Heritage Means to Me."

It is inspirational and refreshing to read a speech from a young, talented American who so eloquently expresses what her country means to her. Each and every citizen can learn from Judy's remarks which effectively portray what our country was, is, and should continue to be. The uniqueness of this speech is its emphasis on the growth of our country,

the building on the past, and the assuring of our democratic principles for future generations.

Mr. Speaker, because we can all benefit from this impressive speech, I am happy to share Judy's message with our colleagues:

WHAT OUR BICENTENNIAL HERITAGE MEANS TO ME

(By Judy Ann Getts)

When I think of the United States' "Bicentennial Heritage," I think of those years which have determined what our nation has become. We originally united in a struggle for independence; then we continued to work together to maintain unity and stability within our nation, and later—within world affairs. In my mind, 1976 stands as a symbol of those past two hundred years.

We have battled within our own borders. Beginning with our fight for independence, we have struggled with ourselves trying to perfect an impartial government and a satisfying domestic atmosphere. Through these two hundred years we have also grown: developing from the single cell idea of a group of men, into a multiplying organism of several billion people. Not only have we grown in number, but we have grown in an understanding of our potentials and capabilities as one nation. Through domestic tranquility, hostility at home and abroad, we have learned from our mistakes and have been united by our efforts to make none of these errors again.

What we are now could not have been without these past two hundred years of practice in trial and error. Our government was originally constructed for the purpose of advising and being useful in the affairs of its people, rather than to overrule or oppress its citizens. The freedoms which our nation's planners first set on paper have lasted over these years and are still ours today. The Declaration of Independence, the Constitution, and the Bill of Rights were merely notions, embryonic ideas agreed upon by a group of men with little idea of how they would strengthen and mature over two hundred years to become the supporting Atlas, the upholding muscles of our government and our democracy. Any damage to these statements of our freedoms would trigger a cave-in and collapse within the walls of our political process.

1976, to me, stands for what we have learned and the way in which we have grown in two hundred years. But even more, I believe that it stands for what is still ahead. We have learned through our mistakes and have united that multi-celled organism into one nation because of all we have gone through since our conception. But there is an even longer way ahead of us in order to outgrow this adolescence we are in, to synchronize and coordinate our muscles and develop a more efficient democracy, and to strongly unite us in our ideals for one body of a nation.

I do not think that this bicentennial celebration will be complete if we only look back on that past on which we are built. We must look equally at what we are now and what we will become. Is this the nation our forefathers planned it to be? Is the course we are taking fit to be continued for another two hundred years? The spirit of growth and unity which we have declared as our two hundred year old heritage and foundation must be continued with for the years ahead. For if we are that nation which we claim to be—one with a democracy run by the will of its people, for the benefit of its citizens—then we must set an example for forthcoming generations which is equal to that which we have claimed as our heritage. In this way I feel that our bicentennial celebration will be a complete celebration, not just in 1976, but in all the millennia to follow.

EPA LIST OF 102 POTENTIALLY DANGEROUS PESTICIDE COMPOUNDS RELEASED

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the Conservation, Energy, and Natural Resources Subcommittee of the House Committee on Government Operations is presently conducting an investigation of the adequacy of the Environmental Protection Agency's pesticide registration program. The subcommittee's investigation was prompted by the resignation under protest several weeks ago of three of EPA's top pesticide attorneys. During a February 11 hearing before the subcommittee, the three attorneys charged, among other things, that EPA has failed to enforce its pesticides and other toxic and hazardous substances controls.

Among the criticisms of the Agency's programs made during the February 11 hearing were:

EPA uses unverified and inaccurate data in its pesticide registration.

EPA has no program to inspect or accredit laboratories which provide pesticide registration data.

EPA has made little or no headway in establishing toxic controls under its water pollution, air pollution, and drinking water authorities.

The program is becoming mired in bureaucratic red tape.

Also, during the course of the hearing it was brought to light that EPA had developed a list of approximately 100 possible cancer-causing pesticide compounds that was being withheld from Congress and the public. One of the witnesses, a former associate general counsel of EPA, told the subcommittee that—

EPA now has identified approximately 100 cancer-causing pesticides and has the authority—and indeed the public responsibility—to regulate these materials immediately. Despite these legal authorities, effective regulatory action has not been taken on these critical health issues.

Mr. Speaker, as a principal sponsor of the Freedom of Information Act Amendments, which passed the Congress last year, I am a firm believer in public access to Government information. When information vital to human health as is this list of 100 possibly harmful substances, is developed by an agency of Government, it is important that it be made available to the Congress and the public in a timely fashion.

For this reason, Mr. Speaker, I requested that the Administrator of the Environmental Protection Agency provide the subcommittee with a copy of the list for the subcommittee's review and analysis. The list has recently been obtained from the Agency and is available for inspection at the subcommittee offices and at the EPA.

I am fully aware that this list is a very preliminary one and that it does not carry legal presumptions of scientific conclusions as to any health hazard. However, I believe it is essential that the

Congress and the American people be kept informed of the efforts made to identify and control such potentially significant health hazards.

The list of 102 compounds was identified by the EPA as pesticide ingredients which have been culled from a roster of 35,000 pesticide products now registered with the Agency. After reviewing registration and tolerance data and scientific literature, the 102 compounds were selected for more intensive study to determine whether they will trigger a rebuttable presumption of unreasonable risk.

The authority to regulate pesticides to assure the efficacy and safety of those products was moved from the Department of Agriculture to the EPA, because the Congress was dissatisfied with the delays and redtape which had snarled the program for years. We must be sure the EPA does not entangle itself in the same confusion. We can best do that if the Congress and the public are informed of the problems and the progress of the program.

Mr. Speaker, the benefits of pesticides to the American farmer and to the American people are too great to jeopardize, because of bureaucratic fumbling. Pesticides have been most helpful servants to all of us. They have helped us to achieve agricultural preeminence in the world. The individual farmer and consumer who must necessarily rely on pesticides was to be protected under the law from unreasonable risks.

Mr. Speaker, the Conservation, Energy, and Natural Resources Subcommittee has scheduled a hearing for 10:30 a.m. on Friday, March 5, 1976, in room 2203 of the Rayburn House Office Building, to hear the testimony of the EPA in response to the criticisms of its pesticide control program.

These hearings are at the heart of the Government Operations Committee's environmental oversight and investigation responsibilities. If legislation designed to control or eliminate environmental and health hazards is ineffective, because of weak enforcement and poor administration, we must do all we can to bring the issues to the light and identify needed reforms. The stakes are too high for the Congress to accept anything less than the diligent and efficient implementation of pesticide and toxic substances control by the EPA.

OLIVER VICKERY—BRINGING HISTORY TO LIFE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. ANDERSON of California. Mr. Speaker, the Los Angeles Harbor area is a region with a rich and unique historical background. We are fortunate to have a person who has dedicated himself to the preservation of that heritage—Oliver Vickery of San Pedro.

For many years, Oliver has devoted his efforts to reminding us of our heritage.

His weekly column in the San Pedro News-Pilot has been an enlightenment to those of us who would be otherwise unaware of the events and people who made the harbor area what it is today.

Therefore, I feel it is appropriate that in this Bicentennial Year, a testimonial dinner in honor of Oliver Vickery will be held on March 27. It will give all of us a chance to thank this extraordinary man for his many contributions to the community.

Oliver Vickery was born in Kentucky on December 30, 1896. After attending the University of Kentucky, he transferred to Stanford University, then graduated from the University of California at Berkeley with a degree in history.

After graduating, Mr. Vickery became a vice president in the Bank of the United States, in New York City, an institution that dated back to the days of George Washington and Alexander Hamilton. One and a half months after he joined it, the bank folded due to the onset of the Great Depression.

Thus, it came as no surprise that Oliver left the banking field—obviously it did not agree with him—and went into the import-export field.

Oliver was extremely successful in the business. Probably the high point in his career came in 1952, when he attended the International Economic Conference in the Soviet Union. Since the State Department was not allowed to send a representative to the conclave, Oliver in effect represented the United States at the meeting. He traveled extensively within the Soviet Union, recording his experiences on film. That trip became the subject of an 11-page editorial in the June 4, 1952, issue of Life magazine—and Mr. Vickery had the pleasure of showing his films before the U.S. Senate.

Even during his business career, Oliver found time to devote to his community. In 1963 he headed a successful fundraising drive for the Retarded Children's Foundation. He is a founding member of the San Pedro Bay Historical Society, the Harbor Area Police-Community Council, and the Harbor Bicentennial Commission for both San Pedro and Wilmington. He is an honorary life member of the Wilmington Chamber of Commerce, and has been extremely active in community and civic affairs.

Oliver retired recently as curator of Banning Manor, a historical residence in Wilmington which was built by Phineas T. Banning, a pioneer in the harbor area. Indeed, Banning's recognition as an historical figure of great importance is due largely to the efforts on his behalf by Oliver Vickery.

Retired and nearing 80 years of age, Oliver shows no sign of slowing down. His newspaper column appears regularly, and he remains active as a lecturer on the subject of harbor area history.

I have known Oliver for many years. He is one of the warmest, friendliest people one could ever hope to know, embodying many of the characteristics of the entire harbor community. He is also an interesting conversationalist—his extensive background and knowledge is never exhausted as he enthalls his audience.

My wife, Lee, joins me in congratulating Oliver and his lovely wife, Grace, for their many contributions to the Los Angeles Harbor community. The honors he will receive on March 27 will be well deserved as an expression of gratitude by an appreciative community.

SPACE TECHNOLOGY BENEFITS BLOOD TRANSFER SYSTEM

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. TEAGUE. Mr. Speaker, I want to bring to the attention of my colleagues another important spinoff from the space program which was recently reported by the Jet Propulsion Laboratory. The Jet Propulsion Laboratory has designed a blood transfer system that should substantially increase the storage time of blood components. The knowledge gained and the technology developed during the course of NASA's life science work has in the past and continues to make a very positive impact in medical technologies and a better understanding of how our bodies function. Advances in bioinstrumentation, life support and protective systems, and human machine technology are made available to the public through the technology utilization programs. The medical and biological research conducted in support of manned space flight has added a new dimension to the understanding of normal human physiology and human responses under stress.

For additional information on this blood transfer system, I refer my colleagues to the following article recently published in the Burbank Daily-Review.

[From the Burbank Daily Review,
Feb. 6, 1976]

JPL BUILDS BLOOD TRANSFER SYSTEM

A promising system for transferring blood without contamination has been devised by a team of scientists and engineers at Caltech's Jet Propulsion Laboratory under contract to the National Heart and Lung Institute of the National Institutes of Health, Bethesda, Maryland.

Extending a concept employed in spacecraft sterilization work for the National Aeronautics and Space Administration, Dr. Richard M. Berkman, James C. Arnett and Edward L. Cleland produced the Aseptic Fluid Transfer System (AFTS) primarily for use in blood banks.

Two dual-walled tubes, fused and penetrated by heat, are the key to the proposed method of cleanly transferring blood from one container or bag to another.

The JPL-designed system should substantially increase the storage time of blood components, according to Dr. Berkman, a Ph.D. microbiologist and team leader.

"Present transfer systems employed in blood banks do not insure sterility, hence frozen thawed blood must be used within one day or else be discarded," Berkman says. "Our evaluation of the AFTS shows virtually no contamination—less than 0.001 per cent. The heat fusion process kills off any microbes on the connecting tubes."

Berkman was responsible for ensuring the sterility of the system, Arnett was the design engineer, and Cleland the materials-engineer.

A biomedical project of JPL's Civil Sys-

tems Program Office, the AFTS is now being tested by Dr. Byron Myhre at Harbor General Hospital, Torrance. The two-year development was sponsored by the Division of Blood Diseases and Resources of the National Heart and Lung Institute.

The AFTS connector which the inventors believe unique can be manufactured as part of the blood bag or other container. Polyvinyl chloride is used for the outer portions of the tubing and the flat attachment links (only 5 centimeters or 2 inches long). The inner part of the links—through which the liquid flows—is made of heat-resistant kapton.

When heat of about 200 degrees Celsius (400 degrees Fahrenheit) is applied through a metal clamp to the flat end links of each tube, the tubes are effectively fused; the joining area is sterilized and an H-shaped opening forged in the links allows the blood to flow from one bag to the other. The linking process is completed within one minute.

At present the heat is applied by a small electrically powered clamping device similar to a mini-pants presser. However, the inventors say the heat could be applied by a portable hand held sealing device, no larger than an ordinary hair-dryer.

As the authors say in their final report on the project, the system still requires a few modifications to "improve manufacturability and lower the manufacturing and operating costs."

Dr. Myhre pathologist at Harbor General Hospital, tentatively evaluated the AFTS method as having "very great possibilities." The system will be used in Dr. Myhre's laboratory at the hospital for the next several months.

Increased blood transfusion demands have led to greater use of blood cell components and frozen thawed blood. Since present methods for fractionating and freezing blood do not prevent contamination, the Food and Drug Administration has placed a 24-hour storage limit on frozen thawed blood.

The JPL method may more than triple the safe storage time Berkman reported that 99.9 per cent of all bacteria and spores were killed in AFTS tests even when the tube surfaces were purposely contaminated with massive numbers of these microbes.

Such refinements probably would be made by the ultimate manufacturer of the system. Patents on the invention have been applied for by the California Institute of Technology, which operates JPL for NASA.

The California Institute Research Foundation, the patent-licensing arm of Caltech, is actively negotiating potential licenses with commercial manufacturers of blood bags and other medical devices who have expressed interest in the AFTS. In addition JPL may provide further technical support in future commercial development of the system.

BUFFALO VERSUS EPA AND DEP— CHAPTER 2

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. ABDNOR. Mr. Speaker, there is no question in my mind that if you are a public official in a small town you need to have a sense of humor as well as infinite patience just to keep going. Buffalo, S. Dak., is a community of 400 hardy souls in the northwestern corner of my district and their continuing adventures of trying to comply with the myriad rules and regulations of the En-

vironmental Protection Agency and the South Dakota Department of Environmental Protection are rapidly becoming one of the great sagas of the Old West.

Town Board President Walter Stephens recently wrote of his latest dealings with the bureaucracy in the Nation's Center News. I would like to share his observations with my colleagues. On February 25 I brought to the attention of my colleagues an earlier episode with EPA involving this community.

REPORT FROM BUFFALO

(By Town Board President Walter Stephens)

One of the pleasures of being a trustee for a small town such as Buffalo is the continuous barrage of mail from various governmental agencies, especially that mail which requires a person to fill out forms or research problems. I have always felt that the Environmental Protection Agency and the South Dakota Department of Environmental Protection excel in this area.

I have previously mentioned the problems that Buffalo has had with the solid waste treatment facility (better known as a dump) and the wastewater treatment facility (commonly referred to as a sewage lagoon), but naturally the problems never seem to stop there.

Even though Buffalo's drinking water is considered among the best in the state, our distribution system even receives notice from the EPA and the SDDEP. Not only is there a Safe Drinking Water Act, but also a town must take samples from the system regularly so that the DEP can keep a record of the "continuous bacterial quality" of our water. It sounds good, and I feel that it is important for the safety of the people of the town. Naturally we diligently attempt to comply with this requirement which states that we must submit at least one sample each month.

Yet even this simple requirement can cause problems. A few days ago we received a letter from the DEP stating that we had failed to submit samples for the months of January, July, and November of 1975 and that this made it "impossible" for their department to analyze the continuous bacterial quality of our water. Since we receive three empty bottles each month and return them with samples, we were somewhat puzzled.

When we received a bill from the DEP for the processing of 37 water samples for the 1975, we were even more confused. It seems strange to us that we can send in 37 samples at the rate of three per month and still miss three months.

Even if we somehow missed three months by mailing our samples late, it seems strange that 37 samples over 9 months cannot possibly give as accurate an account as would 12 samples over a period of 12 months.

Since we were even curious as to whether we were being billed correctly or being billed for duplicate sample processing, we wrote a letter to the DEP asking that department to help us understand the situation better. However, we hope the letter does not cause the DEP to feel that we are being indignant. We are well aware of the importance of water samples. We simply felt that either their bookkeeping was wrong or else our logic is wrong, and we always hesitate to doubt our logic.

Because of the DEP's concern about our water, we decided to research the situation a bit deeper. The results of this research of the dangers of our water distribution system are alarming.

First of all, we discovered that 100% of the people who had died in Buffalo during the past 20 years had, at one time or another, drunk water from our system. It also became obvious that anyone who is presently drinking water from our system will probably not live to the year 2076. In fact, the

more years in which a person has consumed this water, the lesser are his odds for living for another 100 years. An example would be a person who has been drinking our water for 70 years. This person has very little chance of even seeing the turn of the century.

A closer look can even show that our water has been involved in most cases of illness, broken bones, accidents, and even the habit of smoking. The research even indicated that the local water even drove many people to the terrible practice of drinking alcoholic beverages. We found that 97% of these lost souls had consumed local water. We did find three people who seemed to have the problem of longevity solved. They drank their whiskey straight and saw no use for Buffalo's water except for washing. They are now being checked for skin diseases.

This is hardly a complete list of all the dangers of our water system, but at least it is enough to inform the people of the day-to-day hazards of living in our town. It also shows that the concern of the DEP is probably justified. Also this survey has opened a new field of research for us. Within a week or two we hope to have some staggering facts on the dangers of flushing a toilet.

NORTH SLOPE NATIONALISM

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. YOUNG of Alaska. Mr. Speaker, it was not too long ago that the floor of the House was the scene of a dramatic legislative battle over which route to use to transport Alaska's North Slope oil reserves to consumer markets in the lower 48 States. After lengthy studies by Congress and numerous Federal agencies, a route through Alaska was chosen and the Trans-Alaska Oil Pipeline Act became law. Naturally, I was pleased.

Now, however, a new battle is shaping up. This one over which route to use to transport Alaska's North Slope natural gas reserves to consumer markets in the lower 48 States. To be sure, it is an important issue and, naturally, I favor an all-Alaskan route on this issue. And, once again, opponents of the Alaska route are seeking to have Congress authorize a route which passes through another nation; namely, our northern neighbor Canada.

There is much to take into consideration when one is thinking about authorizing the transportation of our precious energy resources through another nation. Mr. Dan Coughlin, the business editor of the Seattle Post-Intelligencer, has written what I feel is an intelligent piece on some of these other considerations. It is my fervent hope that my esteemed colleagues will take the time to read his comments on this important national issue.

Mr. Coughlin's article follows:

[From the Post-Intelligencer, Feb. 15, 1976]

NORTH SLOPE NATIONALISM

(By Dan Coughlin)

Canadian nationalism may put an early end to the current battle over whether to bring Alaska North Slope natural gas to U.S. markets via an Alaska pipeline or a Canadian line.

Conservation of a key Canadian resource—investment capital—may also play a key role. If the process works like Ron Rutherford

and John Burrell hope it might, there'd be no question about it. Alaska gas would be piped through Alaska and Canadian gas through Canada.

Rutherford is executive vice president of Foothills Pipelines, Inc., out of Calgary, and John Burrell is vice president.

They represent an All-Canadian "Maple Leaf" pipeline proposal that has largely escaped public attention here. We've been focusing on the far more visible squabble between El Paso Natural Gas Co., which is promoting the Alaska route, and the Arctic Gas Consortium, which wants to build a trans-Canada line.

El Paso is looking strictly at Alaska's gas resources, Foothills is looking strictly at Canada's. Arctic is looking at both.

El Paso's project needs only U.S. approval. Foothills needs only Canadian approval. Arctic, notes Alaska Construction and Oil magazine, is dead without the approval of both countries. And if Rutherford and Burrell have it their way, they told the Seattle Chamber of Commerce recently, Arctic may hit a sticky wicket in getting Canada to go along.

Their Maple Leaf plan, they said, has too many advantages for Canada.

"The Maple Leaf project provides Canada with the means by which it can tap its northern resources on its own without the need to be dependent on United States participation," he observed. "This, in itself, will provide Canada with desirable freedom of action. Arctic, on the other hand, has a majority of U.S. sponsors and although it is claimed that it will be 51 per cent owned by Canadians, it will always be influenced by those U.S. companies who will each own large blocks of shares . . ."

That kind of talk might have shocked some of the chamber members, but it might have touched off a sympathetic reaction at that. Americans have similar feelings from time to time. And the chamber is pretty well convinced that construction of the trans-Alaska pipeline will be of more benefit to Seattle than the trans-Canada competitor.

Rutherford and Burrell like it that way, by the way. Their 800-mile line, "manageable and conservative in size and design," would use existing Canadian pipelines; indeed, it is sponsored by the Westcoast Transmission Co., Ltd., and the Alberta Gas Trunk Line Co., Ltd.

"Nearly all the requirements of the Maple Leaf Project can be supplied by Canadians," Rutherford said, while Arctic's line "will require much more foreign input."

The Maple Leaf Project could be built for \$1.8 million, while the Arctic project would require \$5.6 billion. Canadians could finance equity ownership of Maple Leaf; "foreign" money would have to be used to finance the Arctic line.

"Which line(s) will be built?" Alaska construction asks rhetorically, answering like this:

"Second-guessing such decisions is a poor pastime, but with both Canada and the U.S. in need of their respective gas reserves as soon as possible, each country's national approach seems the most viable."

It's a position that under the circumstances is difficult to dispute.

WILMINGTON 10: A QUESTION OF JUSTICE?

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. HAWKINS. Mr. Speaker, I would like to draw the attention of the House to an article appearing in the Wash-

ington Post on February 21, 1976, by Colman McCarthy. Mr. McCarthy examines the case of the Wilmington 10 and raises serious questions about their conviction and the severity of their sentences.

It has long been maintained by many that the 10, including the Reverend Ben Chavis of the United Church of Christ and director of the Washington office of the Commission for Racial Justice, were convicted as an act of political repression. The severity of the prison sentences levied against the 10, a combined total of 282 years, is an additional indication of a possible miscarriage of justice.

The delineation between justice and vengeance is critical to the American criminal justice system. It is morally degenerating and a dangerous abatement of the principles of freedom and justice to allow the legal foundation of our great Nation to become a tool for political repression or reprisal.

The article follows:

[From the Washington Post, Feb. 21, 1976]

NORTH CAROLINA: JUSTICE OR VENGEANCE FOR THE WILMINGTON 10?

(By Colman McCarthy)

The case of the Wilmington 10 appears to be ended. A few days ago, the group of nine young black men and one white woman passed through the gates of Central Prison in Raleigh, N.C. The case was the longest in North Carolina history; from the original arrests during the 1971 racial turmoil in Wilmington and convictions on firebombing and conspiracy charges, appeals have failed before the State Court of Appeals and the North Carolina Supreme Court. An appellate brief before the U.S. Supreme Court was turned down in late January. Another appeal is planned before the U.S. District Court, but meanwhile, the group has begun serving prison terms running from seven to 34 years.

During the years of appeal, many in North Carolina had strong feelings that political repression was involved. The 10 were civil rights activists in a state whose courts had few of the trappings of "the New South." One member of the group, Ben Chavis, an ordained minister of the United Church of Christ, appeared to have been singled out for special harassment: From 1968 to 1972, he was charged with six crimes, from running a stoplight to accessory after the fact of murder. All cases ended either in dismissals or acquittals. Chavis and the others in the Wilmington 10 never received the national attention given to Angela Davis or Joan Little, but their cries of innocence were supported by such outside groups as the United Church of Christ (which posted \$400,000 bail for the 10), the District of Columbia City Council—it proclaimed last May 31 as Wilmington 10 Day in the capital—and the Congressional Black Caucus. Among the latter, Rep. Ron Dellums said that "the provocations against and the persecution of Rev. Chavis and the Wilmington 10 . . . were calculated attacks against the civil rights movement of North Carolina."

However many friends the group may have won, the campaign to free them has come to nothing. They are in prison, about to be dehumanized and demeaned in forms of anguish that only convicts and ex-convicts know. The questions that need raising now do not involve determinations of guilt, but determinations of sentencing. What purpose is served by locking away these nine young men and one woman for a combined span of 282 years? Is prison the only form of punishment available? Even if the suspicions of the United Church of Christ, the D.C. City Council and the Black Caucus were never aroused,

and the group was guilty beyond all doubts, prison terms averaging 28 years would still carry the mark of a judicial system gone mad with vengeance.

A spirit of vicious retribution appears to be at work. None of the Wilmington 10 had a record of crime before his arrest, and none has had serious involvement with the law after. None jumped bail. Chavis, in addition to his ministry, was doing graduate work at the Howard University School of Religion. The others either held jobs or were in school. Nothing in their behavior since their arrests in 1971 suggests that these are social menaces needing to be incarcerated to protect the community.

From the evidence, the court had little interest in learning about the lives of the group. At a final bail hearing in late January in district court in Raleigh, Ernest Gibson, the executive director of the Council of Churches of Greater Washington, Dr. Lawrence Jones, dean of Howard's School of Religion, Rev. A. Knighton Stanley, the director of bicentennial programs for the mayor's office and Rev. Harry Applewhite of the United Church of Christ, all appeared personally to offer character testimony for Ben Chavis. The court did not ask to hear them. Following further refusal to accept more than 100 character affidavits, bail was denied.

The harsh sentencing of the Wilmington 10 may serve the narrow purposes of the North Carolina judicial system, but this imprisonment comes at a time when many—from reknown judges to silent convicts—are questioning the need for incarceration at all, let alone long sentences for first offenders. At the recent Conference on Alternatives to Incarceration, Judge Charles R. Richey, a Nixon appointee to the U.S. District Court, stated: "We should work to eliminate our present antiquated penitentiaries for all but 15 per cent of our offenders and give the remaining 85 per cent vocational training, counseling and therapy, and jobs in a community treatment center or halfway house setting."

In the past, the cry "close the prisons" has been dismissed as dreaming romanticism, but observers like Judge Richey are not alone. Courts in Alabama, the District of Columbia and Boston have recently ruled that their prisons are lawless because certain constitutional rights are denied the inmates. This was on the mind of Judge David L. Bazelon when he said, "To my way of thinking, it simply is unjust to place people in dehumanizing social conditions, do nothing about those conditions, and then command those who suffer: 'Behave or else.'" Such a statement is a fresh way of repeating what has long been obvious: Imprisonment fails to reduce crime, does not deter, often hardens the criminal, is economically unsound and is inhumane.

Increasingly, those judges who see imprisonment as a mockery of justice are relying on alternative sentences. This is a major advance, even though for now it is mostly the middle class white collar criminal who benefits. It is seldom the poor or the blacks, two groups mistakenly thought to make up "the criminal element." Recently an offender convicted of selling \$1.6 million in counterfeit checks was let off by a Washington judge with neither a fine nor sentence. The criminal, white and from Scarsdale, N.Y., walked free because the judge discovered in him a history of "extraordinarily useful service to the community."

Justice and mercy were well served by this decision, but by the same standards of "extraordinarily useful service" could be applied to Ben Chavis. Yet he could be in prison until the year 2006. Such friends of the Wilmington 10 as Walter Fauntroy now refer to the group as "freedom fighters." But the fight is hard to wage, especially when the President, wanting to let the public know he is tough on crime, said in his State of

the Union message that he wanted four more prisons to be built. With that one statement, President Ford rejected the views of Judges Richey and Bazelon and countless other officials who have been working in this field. For now, the governor of North Carolina has the power to commute the sentences of the Wilmington 10. Such a decision would save 10 lives from possible destruction. It would also do much to carry out in practice what so many judges, corrections officials and prisoners are expressing in theory.

INCOME TAX INFORMATION FOR TAXPAYERS AND OLDER AMERICANS

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. PRESSLER. Mr. Speaker, I represent a State with an unusually large number of elderly citizens. I am acutely aware of their problems and it is my aim to help those older Americans who have contributed so much to the growth and development of this great country in any way that I can.

For several years now, the Senate Committee on Aging has published a checklist of itemized deductions for individual taxpayers. The purpose of this summary is to protect older Americans from overpaying their income taxes.

First, it offers guidance for individuals to determine whether it would be to their advantage to itemize their deductions or compute their taxes on the basis of the tax tables.

Second, the summary also includes a brief description of the other tax relief measures available to older Americans, such as the retirement income credit, the total or partial exclusion of a gain on the sale of a personal residence, and others. I believe it is a particularly useful guide to older Americans since they simply do not have the financial resources to go out and hire a tax consultant and as a result often end up paying much more in taxes each year than is necessary.

I would also like to point out that persons who discover that they overpaid their taxes in prior years have recourse. They may file an amended return—Form 1040X—to claim deductions initially overlooked. Form 1040X must be filed within 3 years after the original return was due or filed, or within 2 years after the tax was paid, whichever is later.

Mr. Speaker, as a service to all taxpayers, and especially to elderly Americans, I ask that this checklist be added to my remarks at this time. Its publication in the RECORD will help to bring this information to the older citizens of South Dakota, as well as older Americans in all 50 of these United States.

The checklist follows:

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 15, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to \$150) without regard to the 3% limitation 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 15, Form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expense (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

Lip reading 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

Physician

Physical therapist

Podiatrist

Psychiatrist

Psychoanalyst

Psychologist

Psychotherapy

Radium therapy

Scroliac belt (presented 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 purposes (7¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.)

Vaccines

Vitamines 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' pension or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, recovery of pension costs, dividends 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 15, 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 for 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¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in 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 charges as interest if no part is for service charges, loan fees, or 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.

CHILD AND DISABLED DEPENDENT CARE EXPENSES

A taxpayer who maintains a household may claim a deduction for employment-related expenses incurred in obtaining care for a (1) dependent who is under 15, (2) physically or mentally disabled dependent, or (3) disabled spouse. The maximum allowable deduction is \$400 a month (\$4,800 a year). As a general rule, employment-related expenses are deductible only if incurred for services for a qualifying individual in the taxpayer's household. However, an exception exists for child care expenses (as distinguished from a disabled dependent or a disabled spouse). In this case, expenses outside the household (e.g., day care expenditures) are deductible, but the maximum deduction is \$200 per month for one child, \$300 per month for two children, and \$400 per month for three or more children.

When a taxpayer's adjusted gross income (line 15, Form 1040) exceeds \$18,000, the deduction is reduced by \$1 for each \$2 of income above this amount. For further information about child and dependent care deductions, see Publication 503, Child Care and Disabled Dependent Care, available free at Internal Revenue offices.

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 the 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 33, Schedule A, Form 1040) or a credit (line 51, 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 tax credit is one-half of the political contribution, 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) to help defray the costs of the 1976 Presidential election campaign.

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 for older Americans

Required to file a tax return if gross income is at least—

<i>Filing status</i>	<i>is at least—</i>
Single (under age 65).....	\$2,350
Single (age 65 or older).....	3,100
Qualifying widow(er) under 65 with dependent child.....	2,650
Qualifying widow(er) 65 or older with dependent child.....	3,400
Married couple (both spouses under 65) filing jointly.....	3,400
Married couple (1 spouse 65 years or older) filing jointly.....	4,150
Married couple (both spouses 65 or older) filing jointly.....	4,900
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, 1976, you will be entitled to the additional \$750 personal exemption because of age for your 1975 Federal income tax return.

Tax Credit for Personal Exemptions.—In addition to the \$750 personal exemption, a tax credit of \$30 is available for a taxpayer, spouse, and each dependent. No additional \$30 credit is available, however, because of age or blindness.

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% of the total de-

pendent'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 or less. (This election can only be made once during a taxpayer's lifetime.) If the adjusted sales price exceeds \$20,000, an election may be made to exclude part of the gain based on a ratio of \$20,000 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.

Retirement Income Credit.—To qualify for the retirement income credit, you must (a) be a U.S. citizen or resident, (b) have received earned income in excess of \$600 in each of any 10 calendar years before 1975, and (c) have certain types of qualifying "retirement income." Five types of income—pensions, annuities, interest, and dividends included on line 15, Form 1040, and gross rents from Schedule E, Part II, column (b)—qualify for the retirement income credit.

The credit is 15% of the lesser of:

1. A taxpayer's qualifying retirement income, or

2. \$1,524 (\$2,286 for a joint return where both taxpayers are 65 or older) minus the total of nontaxable pensions (such as Social Security benefits or Railroad Retirement annuities) and earned income (depending upon the taxpayer's age and the amount of any earnings he may have).

If the taxpayer is under 62, the \$1,524 figure is reduced by the amount of earned income in excess of \$900. For persons at least 62 years old but less than 72, this amount is reduced by one-half of the earned income in excess of \$1,200 up to \$1,700, plus the total amount over \$1,700. Persons 72 and over are not subject to the earned income limitation.

Schedule R is used for taxpayers who claim the retirement income credit.

The Internal Revenue Service will also compute the retirement income credit for a taxpayer if he has requested that IRS compute his tax, he answers the questions for columns A and B, and he completes lines 2 and 5 on Schedule R—relating to the amount of his Social Security benefits, Railroad Retirement annuities, earned income, and qualifying retirement income (pensions, annuities, interest, dividends, and rents). The taxpayer should also write "RIC" on line 17, Form 1040.

SUBMITTING AN IDEA

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. BOB WILSON. Mr. Speaker, I am sure that from time to time, like most other Americans, our colleagues, upon being presented with a new idea or concept, have said to themselves, "Why didn't I think of that?"

No small part of our Nation's heritage can be attributed to the independence of thinking and the imagination of our inventors, the men and women who did not ask "Why?" but, "Why not?"

The industrial revolution which propelled our country vigorously into the 20th century and the technological advances which catapulted us from the horse and buggy to lunar landings are due in the main to the inherent inventiveness of our citizens.

To assist those who have ideas, but do not know how to make use of them, the American Bar Association has issued a short booklet, "Submitting an Idea," which sets forth the whys and the hows of obtaining a patent and bringing the idea to market. I commend it to my colleagues and hope it is found of use:

SUBMITTING AN IDEA

The purpose of this brochure is to provide you, a person with an idea that you believe to have commercial value, with some general information as to how to submit that idea to a company that is not your employer, the term "company" being used to mean any type of business organization. This brochure does not try to cover every situation and is not intended to give legal advice. It is intended to give you some understanding as to why most companies ask you to agree to certain ground rules before they will consider your idea. It is also intended to inform you of steps that you can take to protect your idea.

When you first approach a company with an idea, you are likely to be concerned about whether you are going to be treated fairly. Your intention is to make some money by having the company pay you for either using your idea in the operation of its business or embodying your idea in a product. However, you may fear the company may use your idea without paying for it and are therefore reluctant to disclose your idea unless the company first agrees to keep the idea secret and to pay for the idea if it is used.

The company, on the other hand, is concerned about its reputation and its competitive position. The company does not want to do anything that would appear to take unfair advantage of you. At the same time, the company is reluctant to place itself in a position where it (1) has to pay for something that it already knows about or (2) has to pay for something that others can use freely.

Consequently, a company will rarely agree to review your disclosure on a confidential basis. The main reason for this is that such an agreement could establish a confidential relationship between you and the company. This relationship not only requires the company to keep the idea secret but also prohibits the company from using the idea in a manner that makes it public without your permission. This prohibition may apply even though the idea is already known to the company or to others unless prior knowledge by the company or by others are made exceptions to the conditions of secrecy.

In addition, a company will rarely agree to pay for the use of your idea before knowing

what the idea is. Most companies have research and development departments in which new ideas are constantly being developed. Therefore, it is possible that the idea you submit and which you think is novel is one the company is familiar with and has perhaps already decided to introduce. If the company agreed to pay for the use of your idea before it knew what the idea was, it could end up paying without having obtained any benefit from your submission.

Alternatively, your idea may be new to the company but cannot be protected by means of a patent. The company's competitors can then copy the idea. Whatever advantage the company may have because of its opportunity to achieve first commercial benefit from the utilization of the idea, its return will be less than would be the case if the idea were patentable.

The result is that in most cases you will find it necessary to accept the company's standard terms in order for you to get the company to consider your idea. These terms can generally be summarized as follows:

First, no confidential relationship is created between you and the company by the submission of your idea and its consideration by the company.

Second, if the idea is not patentable but nevertheless is a new and original idea, and the company wishes to use the idea, the amount of money that you will be paid for the idea will be decided by the company. It may be only nominal.

Third, if a valid patent has been or can be obtained on the idea, and the company wishes to use the idea, then the company will negotiate with you for the right to make, use, and/or sell your idea.

Nevertheless, if your idea is unpatentable but likely to yield significant benefits to the first commercial user, you may still wish to retain a basis for negotiating the amount which a company would pay for the use of the idea. To do this, you would avoid accepting the company's standard terms of disclosure and refrain from disclosing your idea while attempting to work out an appropriate written secrecy agreement with the company. Companies, especially small and medium sized ones, will occasionally sign such agreements. For instance, you may be able to convince the company, without disclosing your idea, that the idea offers some capabilities which the company badly needs but does not have. Before such an agreement will be considered, it will sometimes be necessary to convince the company that you are a responsible person or firm having both significant experience and a reputation for achievement in the field to which your idea pertains. However, if the company should prove receptive, you and your attorney may be able to work out a written agreement which strikes a reasonable balance between your desire to maintain some measure of control over the idea and the company's desire to avoid competitive disadvantage.

From the above it is seen that the value of your idea depends greatly upon whether it is patentable. It may therefore be desirable and prudent, if your idea appears likely to be commercially attractive, to take steps to protect whatever patent rights there may be in your idea before you submit it to a company.

This means that as soon as possible after you have thought your idea through to the point where you have a plan as to how to carry out the idea, you should prepare a detailed description of the idea and your plan for accomplishing it. The description should be written in ink or typed. There should be no erasures, blotting out, or blank spaces. Where a correction is necessary, draw a line through the incorrect portion and continue on with the description. Each such lining out should be initialed and dated. If possible, make detailed sketches to help you in your

description. At the end of the description and on each sketch, sign your name and date.

At least one and preferably two people who did not participate in the development of the idea and who have no financial interest in the idea should read the description and examine the sketches as soon as possible after you have prepared them. When you are sure that they fully understand both your idea and your plan for accomplishing it as disclosed in this material, have each of them initial and date each page of the description. In addition, at the end of the description and on each sketch have them write "Read and Understood" followed by their full name and the date. This material can then be used to help establish the date you conceived your idea.

Since an invention is not considered completed until either (1) a working model or other physical embodiment of the invention has been made and successfully operated, or (2) a patent application has been filed, you should pursue at least one of these two courses of action. However, before you do, you may want to have a search made of the patents that have already issued on the subject of your idea. Such a search, which is obtainable through a patent attorney, will provide a better basis for determining whether spending money for either the patent application or making the model or other physical embodiment is worthwhile.

If you decide to make a working model or other physical embodiment of your idea, it is important that you pursue it in a diligent manner. Plan to do some work on it each week and keep a notebook in which you briefly record in consecutive order what you do each time. The results of each work effort should be shown to one or more witnesses who are not co-inventors, and they should sign their name and the date beneath the associated entry in your notebook. If you have to stop working on the model or other embodiment for more than a couple of weeks, you should record the reason. For instance, delays caused in obtaining parts are acceptable; delays caused by involvement in other projects are not.

Once the model or other physical embodiment has been completed, have its operation or testing witnessed by one or more persons who are not co-inventors. The witnesses should not only understand how the physical embodiment operates, but they should also be shown each of the individual parts. This means removing covers so that they can look inside any housings. If one of the witnesses helped to construct the model, it is all the better. After the witnesses understand the model and have observed its satisfactory operation, they should each write such a statement in your notebook and of course sign and date the statement.

This procedure establishes a provable date of invention and you can now submit your idea. To do this, first inform the company of your interest to submit an idea for its consideration. The company will then provide you with the terms under which it will receive your idea. You may wish to have these reviewed by your attorney. Generally, you will be asked to send an acceptance of these terms along with the description and sketches of your idea. It is best that the descriptive materials that you send not include any dates.

In filing a patent application, you will want to contact a patent attorney. He will prepare the patent application along with the other papers that must be filed with the application. If you have not built and successfully operated a working embodiment of your idea, your invention is not considered to be completed until the day that the application is filed in the Patent Office, and so it is important to file the application promptly.

Once the application is filed, a copy of the application can be submitted to a company for its consideration. It is recommended, however, that you omit the claims of the

application and that you do not provide the filing date or serial number of the application. If the patent has issued, a copy should be submitted to the company. At that point, the scope of your invention is clearly defined by the claims, and therefore the company can more easily determine whether it is of interest.

One note of caution. If you have not filed a patent application, you are running a risk if you or anyone else publishes anything about your idea, offers for sale a product incorporating your idea, or if you allow someone else to use it or use it yourself except on a purely experimental basis. Your idea can become unpatentable and free to everyone one year from any one of these occurrences if a patent application has not been filed in the meantime. Furthermore, public disclosure of your idea even one day before the filing of a U.S. patent application may make it impossible to obtain valid patent rights in a good many foreign countries.

By following the above described procedures, you are more likely to have fully protected any patent rights that you have and you will be in the best possible position to exploit these rights. If a company should indicate an interest in your idea, it would be advisable for you to obtain the services of an attorney if you have not already done so. He can act in your behalf in the negotiations with the company.

Further information about patents may be obtained by ordering the pamphlets entitled "Patents and Inventions, an Information Aid of Inventors" and "General Information Concerning Patents" from the Superintendent of Documents, Washington, D.C. 20402. These pamphlets are available at a nominal charge.

SPECIALTY STEEL IMPORT RELIEF CASE

HON. WILLIAM J. GREEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. GREEN. Mr. Speaker, on January 16 the U.S. International Trade Commission reported to the President that imports of stainless steel and alloy tool steel are a substantial cause of serious injury to certain U.S. industries. The Commission further found that an initial annual quota of 146,000 short tons on such imports is necessary to remedy the injury being experienced by the domestic specialty steel industry.

Under the terms of the Trade Act of 1974, the President has 60 days within which to decide whether he will take action and impose the import quotas recommended by the International Trade Commission, whether he will take alternative steps to control imports and remedy the injury, or whether he will take no action whatsoever.

The report of the International Trade Commission culminates 6 months of intensive investigation of the extent to which increased imports of stainless steel and alloy tool steel are seriously injurious to the domestic industry. In culminates many months of efforts by the companies and workers in this industry to gain the Government's attention to their problems.

It has been said that this is the first important test of whether the import relief provisions of the Trade Act of 1974 will afford our domestic industries meaningful relief from serious injury

substantially caused by increased imports.

The second test in this case will come in the decision by the President as to what action he will take at the end of the 60-day period. There is, of course, a third test should the President decide not to implement the findings of the International Trade Commission. That test involves whether the Congress will insist that those recommendations be implemented.

I have examined the report of the International Trade Commission and have found it to be a sound examination of the conditions surrounding imports of stainless steel and alloy tool steel, and their impact on the domestic specialty steel industry which competes directly with such imports. In the case of every product category in which the Commission found serious injury substantially due to increased imports, imports have in fact increased over the past 5 years. Also, imports in the first three quarters of 1975 exceeded imports for the first three quarters of 1974. Furthermore, the ratios of imports to consumption for the first three quarters of 1975 were higher than the ratio of imports to consumption for the first three quarters of 1974. The same was true with respect to the ratio of imports to production.

And these facts obtained in every single-product category in which the Commission found serious injury substantially due to increased imports.

For example, the ratio of imports to production for alloy tool steel was 18.8 percent in the first three quarters of 1974. It rose to 36.8 percent for the similar period in 1975. The ratio of imports to production of stainless steel rod in the first three quarters of 1974 was 30.5 percent. The ratio of imports to production in stainless steel rod rose to 88.8 percent in the first three quarters of 1975. Similar comparison of the ratio of imports to production for the first three quarters of 1974 as compared with the first three quarters of 1975 are as follows: For stainless steel plate, the ratio of imports to production rose from 5.5 to 16 percent; for stainless steel bar, from 13.9 to 29.5 percent; and for stainless steel strip, from 5.5 to 17.2 percent. Overall, imports of stainless steel and alloy tool steel rose from 9.6 percent of domestic production in the first three quarters of 1974 to 24.5 percent for the similar period of 1975.

In terms of employment, comparing the first three quarters of 1974 with the first three quarters of 1975, production and related workers engaged in the production of alloy tool steel declined from 4,745 to 3,169. Production and related workers engaged in the production of stainless steel in total fell from 19,299 in the first three quarters of 1974 to 12,345 in the first three quarters of 1975. In all categories of the production of stainless steel, the number of production and related workers declined in the first three quarters of 1975 from the employment levels in the first three quarters of 1974. Many thousands of these jobs were lost in my home State of Pennsylvania, particularly in Erie and Beaver Counties and in the Greater Pittsburgh area.

It is clear that, in the product cate-

March 3, 1976

gories in which the International Trade Commission found injury, imports have increased, and that such increased imports are a substantial cause of serious injury. It is also clear that other elements of the criteria which must be considered by the International Trade Commission in making a determination of serious injury have also been met in terms of the idling of productive facilities, the inability of a significant number of firms to operate at a reasonable level of profit, and of significant unemployment or underemployment within the industries.

Thus, the first test has been met and the next step is up to the President. The Trade Act of 1974 provides a number of factors that the President should take into account in determining whether to provide import relief and what method and amount of import relief he should provide.

The President must consider the extent to which firms and workers in the injured industry are receiving, or are likely to receive, adjustment assistance. The President must consider the probable effectiveness of import relief as a means of promoting adjustment by the industries to import competition and other conditions relative to the position of the industry and the Nation's economy. In this regard, I would hope that, where it would be meaningful, the agencies responsible would immediately provide adjustment assistance to the groups of workers and the firms which have been disadvantaged by imports of stainless steel and alloy tool steel.

The President must also consider the effect of the proposed import relief on consumers and on competition in the domestic markets for such articles. While it is important to consider the effect of any government action on consumers, in this instance there is no lack of domestic competition which would result in adverse effects on consumers in terms of price or the availability of imported articles.

There are other factors which the President must consider, including the effect of the import relief on the international economic interest of the United States and the impact on U.S. industries and firms which may be affected by the payment of compensation by the United States in terms of the modifications of duties or other import restraints. Such considerations are, of course, important to our overall economic and political interests and are the type of factors best considered by the President.

There are three remaining areas which the President must consider:

First. The extent of geographic concentration of imported products and, therefore, the geographic concentration of producing industries;

Second. The extent to which the U.S. market is a focal point for exports of such article by reason of restraints on exports of such article into third country markets; and

Third. The economic and social costs which would be incurred by taxpayers, communities, and workers if the import relief is or is not provided.

The economic situation facing the producers in the stainless steel and alloy

tool steel industries, the geographic concentration, and the dependence of their workers on the continuation of viable industries is very clear from the record of the hearings and from the report of the International Trade Commission. Unless import relief is granted, both the companies and the workers will continue to experience serious economic loss and possible complete economic dislocation.

It is, of course, clear from the hearing record that other major steel producing countries, many of which are major suppliers of stainless steel and alloy tool steel to the United States, actually have agreed to, or are actively discussing, restraints on exports of stainless steel and alloy tool steel to third country markets or restraints on imports of stainless steel or alloy tool steel into third country markets. The resulting diversion of further stainless and alloy steel to the U.S. market is a situation the President cannot ignore.

In view of the economic factors that the President must take into account, the President should have little trouble in making the right decision. However, the President will be under tremendous pressure from our trading partners, and from certain economic interests in this country, not to take the action dictated by the economic conditions. This is where the second real test of the Trade Act of 1974 will be determined.

However, there is a third test, for Congress provided in the Trade Act of 1974 a means of assuring that meaningful action will be taken if the President decides that the recommended import relief action is "inappropriate." As I indicated, if the President decides to take action different from that recommended by the International Trade Commission, or to take no action with respect to stainless steel and alloy tool steel, he must notify the Congress. The act further provides that Congress can automatically require the President to implement the Commission's findings and recommendations by an affirmative vote of a majority of the Members of each House present and voting on a concurrent resolution disapproving the action taken by the President in not providing the import relief recommended by the Commission.

I can assure you that, if the President decides not to provide the import relief or provides a form of import relief not responsive to the competitive problems facing the domestic stainless and alloy tool steel industries, such a resolution will be immediately introduced by me, and considered in the Trade Subcommittee of the Committee on Ways and Means of the House of Representatives which I chair.

I am hopeful that such action will not be necessary. I am hopeful that the President will accept the findings of the International Trade Commission. I am hopeful that our major trading partners will deal with our mutual problem of trade in stainless steel and alloy tool steel in a constructive manner, and will agree to a temporary arrangement under which their exports of stainless steel and alloy steel to the United States will be restrained at a level which our domestic industries can accommodate. I am hope-

ful that the President will request the negotiation of such an arrangement as is envisioned in the Trade Act of 1974 as a meaningful and constructive method of dealing with the types of economic problems which we face in the stainless steel and alloy tool steel industries today. The need for action is clear. The avenues for meaningful action are available. Should congressional action become necessary, I intend to take the lead.

EXPORTS OF NUCLEAR FUEL TO INDIA CHALLENGED BY ENVIRONMENTALISTS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. OTTINGER. Mr. Speaker, yesterday three environmental organizations petitioned the Nuclear Regulatory Commission to permit their participation in an NRC proceeding prior to that Commission's licensing export of 40,000 pounds of enriched uranium to India supposedly for use in its Tarapur reactors.

In May 1974, India exploded a nuclear bomb, made with plutonium manufactured from a "peaceful" nuclear powerplant that nation bought from Canada. The Tarapur reactors are American-made, and the Nuclear Regulatory Commission is currently considering granting an export license for fuel for those reactors.

India is not a signer of the Nonproliferation Treaty, and she has even refused to place all of her nuclear facilities under the rather minimal protections of the International Atomic Energy Agency.

Furthermore, the Nuclear Regulatory Commission did not publicly announce receipt of the application for export to Tarapur, meaning that the Commission treats exports more laxly than it treats the licensing process for nuclear power plants here in the United States. The petition filed with NRC by the environmental groups seeks to have the NRC provide adequate procedures for export license considerations.

A press announcement released yesterday by the environmental organizations spells out the concerns raised in their petition to the Nuclear Regulatory Commission. These are extremely serious, and I am therefore including the text of the release for the benefit of my colleagues. The petition was filed by the Natural Resources Defense Council, the Sierra Club, and the Union of Concerned Scientists.

The material follows:

NATURAL RESOURCES
DEFENSE COUNCIL, INC.,
Washington, D.C.

EXPORTS OF NUCLEAR FUEL TO INDIA CHALLENGED BY ENVIRONMENTALISTS, SCIENTISTS

The Natural Resources Defense Council, the Sierra Club, and the Union of Concerned Scientists filed a major legal action today to block the proposed U.S. export of nuclear fuel to India.

In the first public intervention in a Nuclear Regulatory Commission licensing pro-

ceeding concerning nuclear exports the groups contend in their petitions that the applications of the Edlow International Company to ship approximately 40,000 pounds of uranium fuel to the Tarapur Atomic Power Station, near Bombay, should be denied. The license applications are now pending before the NRC.

Approximately 200 pounds of plutonium will be produced in the burning of the fuel in Tarapur's two 200-megawatt light water reactors, which were manufactured by the General Electric Corporation. Present safeguards are inadequate to insure that India will not divert this plutonium—enough for 10 Hiroshima-sized bombs—to the manufacture of nuclear weapons.

In May of 1974 India stunned much of the world by exploding her first nuclear device, made from plutonium produced in a Canadian-supplied experimental reactor. India still refuses to renounce the development of nuclear bombs, refuses to sign the Non-Proliferation Treaty, and refuses to place all her nuclear activities—which include a nuclear fuel reprocessing facility at Trombay and a proposed one at Tarapur¹—under adequate international safeguards and inspection or even under International Atomic Energy (IAEA) safeguards, which are generally viewed as too lax.

The petitions to intervene also cite the highly dangerous health, safety and environmental conditions present at the Tarapur nuclear power plants. Substantial radiation leakages have forced the Indians to replace many of the plant's workers, often with poorly trained personnel. During a visit to Tarapur in 1972, Clifford Beck, then head of the Government Liaison Regulation Office of the U.S. Atomic Energy Commission, reported seeing workers use bamboo poles to operate the reactor's radioactive waste disposal system. Radioactivity has escaped from Tarapur and been measured in the bodies of the local fishing people. Beck labelled Tarapur "a prime candidate for nuclear disaster."²

The groups stated that one purpose of the action is to force major changes in U.S. nuclear export policy. They charged that current U.S. policies, and those of other nuclear nations, are undercutting all the work done in the last generation to prevent the spread of nuclear bombs. "The U.S., by fostering nuclear proliferation and setting the stage for a world catastrophe." The groups charged that the NRC continues to operate in the dark without sufficient information about safeguards and health and safety factors.

J. Gustav Speth, speaking for the groups stated that "it would be outrageous for the Commission to grant these licenses for export of nuclear fuel to India without a full investigation and public hearing."

India's 1974 explosion of a "peaceful nuclear device" first stimulated public concern over the prospect that exports of nuclear power reactors and fuels are being used as the basis for developing nuclear weapons capability by countries that are not members of the "nuclear club". Since that time, U.S. nuclear export policies have been under intense criticism, particularly in Congress, where the Nixon Administration's proposal to sell reactors to Egypt and Israel has been cited to show how easy it is for short-term political considerations to override safety and security considerations of more long-term importance.

The recently announced agreement among

¹ These facilities separate the usable plutonium and uranium from the toxic waste products in used reactor fuel.

² Paul Jacobs, "What You Don't Know May Hurt You: The Dangerous Business of Nuclear Exports," *Mother Jones*, p. 35 (Feb./Mar. 1976). The NRC and Bechtel Corp. materials relied upon in the Jacobs article are available from the intervening groups.

the nuclear supplier nations does not represent any improvement over the present export policies of the United States. The agreement merely ratifies the U.S. practice of permitting the export of nuclear materials, facilities and technology without adequate safeguards. As the groups point out in their petitions, there is an immediate need for more stringent controls and safeguards. For example, there is still no requirement that nations receiving nuclear exports agree to refrain from developing nuclear explosives or to place all their activities under international safeguards.

J. Gustav Speth, a spokesman for NRDC, said that "NRDC opposed the export of light water reactors, and uranium fuel for use in such reactors, to any nation:"

1. which has not forsworn the development of nuclear explosives and signed the Non-Proliferation Treaty;

2. which has not forsworn the development of national fuel enrichment and reprocessing capabilities;

3. which has not agreed to permit the U.S. to retain control of the plutonium produced in the reactors;

4. which has not agreed to and applied strict international and national safeguards on all its nuclear activities to prevent the diversion of nuclear materials to the manufacture of bombs;

5. which has not adopted strict physical security measures to prevent theft of nuclear materials or sabotage of nuclear facilities;

6. where there is a significant possibility of international conflict, terrorism or domestic violence which might disrupt safeguards agreements or seriously threaten the security of nuclear materials and facilities;

7. which does not possess effective programs for the development and enforcement of adequate health and safety standards;

8. which does not have technological resources and qualified personnel to operate and maintain nuclear activities safely."

He added that India would be disqualified from receiving U.S. nuclear exports under each of these eight criteria.

In order to fully resolve the issues raised by the criteria listed above, NRDC endorses the proposal of David E. Lillenthal, first chairman of the U.S. Atomic Energy Commission, that the U.S. unilaterally declare an immediate and total embargo on the shipment of all nuclear materials and devices to all foreign countries.

The three groups are represented in the intervention by Eldon Greenberg, an attorney associated with the Center for Law and Social Policy, a public interest law firm in Washington, D.C.

THE JOBS CREATION ACT WILL PROVIDE SUBSTANTIAL RELIEF FROM ESTATE TAX BURDENS FACING OUR NATION'S FAMILY FARMERS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. KEMP. Mr. Speaker, Congress should act now to lessen the Federal estate tax burdens facing our family farmers. We have such an opportunity before us, and we must not lose it.

The outdated exemption, marital deduction, and rate structure of these

² These standards would not apply to the nuclear nations which have signed the Non-Proliferation Treaty.

estate taxes have made these burdens intolerable for most. They are forcing the sale of far too many family farms each year. They are a reason for the growth of the agricultural conglomerates in recent years. They are pushing widows, widowers, and sons and daughters who know only farming into the already crowded job market. Unemployment is a direct result.

All too often, when one of the co-owners of a family owned farm dies, whether it is the husband or the wife, the survivor must put out the "For Sale" sign in order to pay heavy estate taxes.

Like too many laws, the actual effect of the estate tax laws is proving to be directly opposite from what was intended. Rather than preventing the concentration of economic power, these laws are encouraging such concentrations. In those cases where the heirs find that they must sell the farm to pay the taxes, all too often the buyer is an agribusiness or a land developer, both usually corporations. These corporations do not pay estate taxes because they are not subject to them, and revenue intended from estate taxes is thereby lost.

It is time that the estate tax laws be recognized for what they really are: taxes on the hard-working middle class. They make it almost impossible for middle-class Americans to provide their children with the farms they have spent a lifetime in building. This is certainly true of the impact of estate taxes on family owned small businesses also. We can ill afford to lose the vitality which these enterprises contribute to our economy.

What is wrong with our Federal estate laws?

First. The current estate tax exemption of \$60,000 was set 34 years ago—in 1942. That exemption is so far out of date in 1976 that if changes in real purchasing power were considered, it would have to be increased to \$195,000—a 225-percent increase. This new \$195,000 figure conforms by coincidence to what most experts agree it takes to start a family farm today—a figure ranging between \$140,000 and \$250,000. The average value of farm assets in 1974—the latest year for which statistics are available—peg it at \$170,000. Yet it remains \$60,000.

Second. The interest on estate taxes left unpaid—and very few survivors can pay the estate taxes in one lump-sum—is now about 7 percent—down from 9 percent before February 1, 1976. It ought to be lowered even further.

Third. If a family cannot now pay off the estate tax right away, they can stretch it out only upon a showing of severe hardship and can, even then, only stretch it out to 10 years. This requirement of showing "severe hardship" is cruel to families which worked in the fields and barns side by side for years, remaining self-reliant at a time when all too many others are willing to have a handout from government or someone else. Having to declare on a Federal form that one would have a "severe hardship" unless payments could be stretched out weakens pride and spirit. It runs directly counter to the self-help principles which have been the foundation stones of American agriculture.

A recent study by one of the largest farmers' organizations shows that a farmer earning between \$10,000 and \$12,000 a year—certainly not much by today's standards—will leave an estate valued at about \$320,000. There is an old saying that a farmer lives poor and dies rich, but this new study confirms it. He or she does not earn all that much each year, but the value of the land keeps going up and up, if not a result of land speculation, surely a product of the inflation produced by Government spending more than it takes in year after year. That Government-fueled inflation pushes up the value of the estate, and Government then gets a higher tax bite out of the estate. Government wins both ways.

If a farmer leaves an estate of \$320,000 today, his widow or her widower has to pay a Federal estate tax of \$20,200, in addition to the smaller—yet still due—State inheritance taxes. When that surviving spouse dies, the children will pay \$83,190 in estate taxes, their share being so much larger because they do not receive the 50-percent marital deduction. The children will almost invariably have to sell the farm to pay these taxes.

This needs to be changed.

Fourth, Federal law allows a widow to deduct from her tax payment any financial contribution she had made to the family estate. But this deduction is allowed only if she can prove it with payroll check stubs or similar documents. This clearly discriminates against the farming family. Simply working shoulder to shoulder with her husband on the farm from the heat of summer tilling to the cold of winter's calving or lambing times—or these very early mornings year around of milking—does not count. There is no check stub to prove the work or its value. Thirty or forty years of work goes without credit at the Internal Revenue Service. This needs to be changed too.

The effects of these policies are already obvious—as I have indicated. These trends will accelerate unless Congress acts now. That power obviously rests with us—with the Congress. And proposals and legislation to exercise it are already before us.

Last March I introduced a bill—the Jobs Creation Act. That bill is designed to accelerate the formation and accumulation of the investment capital required to expand both job opportunities and productivity in the private sector of the economy. Through a combination of a dozen-and-a-half major changes in tax law, it would restore our ability to provide jobs through private initiative instead of Government largess, handouts. This bill now has 106 cosponsors, and support for it grows daily, especially among the people.

A major study of the economics effects of this legislation has shown that it would let us win both the battles against inflation and unemployment simultaneously. It would get us off the horns of the dilemma posed when we fear increasing unemployment by fighting inflation

or by fueling inflation by fighting unemployment. That study concluded that in the first year after enactment of the Jobs Creation Act, it would generate increases over what would otherwise occur of \$151.4 billion in the gross national product, \$74.6 billion in capital outlays, \$5.2 billion in Federal revenues, and dramatic increases in both employment and real purchasing power.

There are two ways to guarantee productivity and prosperity, and they are not any different on the farm. On one hand, we can work longer and harder. Or on the other, we can have more and better tools.

Look at the past 200 years—or even the past 100 years. The average American family today enjoys a standard of living which was not dreamed of a century ago. Horses were drawing the coal from the mines. Fields were plowed with mules and oxen. Electrical power was only at the threshold of being harnessed. Machines were only beginning to come into substantial use. Prosperity reached a level never known in the world's history. Wages reached a level unprecedented in any economy. And this happened not because we worked longer and harder, but because we had better, more efficient tools.

Just 100 years ago, it took a week to produce the same amount of wheat that today can be produced with just a single hour of human labor. The steel plow, tractor, harvester, better seed and cheaper transportation—these are the reasons why. And they are all the product of having enough working capital—capital which is as much the key to tomorrow's growth as yesterday's. This is what the Jobs Creation Act is all about.

Sections 7 and 8 of the Jobs Creation Act would reform the Federal estate laws and lessen their impact on our family farmers. These sections are of major importance.

The value of the taxable estate of the family farmer would hereafter be determined by deducting the lesser of \$200,000 or the value of the decedent's interest in the family farming operation. Thus, the \$60,000 present estate tax exemption would be changed up to \$200,000—keeping in mind the price increase change since 1942 has been from \$60,000 to \$195,000—or to whatever value the decedent's interest in the farm really is, if less than \$200,000.

The requirement of showing "undue" hardship would be stricken.

And both a 25-year stretch out for payment of the estate taxes—a 5-year moratorium followed by 20 annual and equal payments—and a reduction in the interest paid on the tax—down to 4½ percent—are being incorporated into the bill. And I am now ascertaining how best to allow a deduction from the payment due of the dollar value of the contribution made to the farm by the surviving spouse.

Despite the inclusion of provisions to change these tax laws in proposed tax reform bills before the Committee on

Ways and Means last year, that committee failed to provide for any real changes in this regard, and the House-passed bill did not incorporate them.

The focus now shifts to the Senate Committee on Finance which is rewriting much of the House-passed bill. I intend to testify before the Senate Committee on Finance and I will urge the adoption of these estate tax law reforms.

That—the Senate Committee on Finance—is where our efforts must now be focused. If we are going to get changes in these estate tax laws this year, that committee is the place to do it.

Our family farmers are heavily burdened by a number of other things too—inflation and the cost-price squeeze, the cost of credit, high energy costs, burdensome redtape at all levels of government, growing EPA and OSHA regulation. But it seems to me that the burden which can most readily be lessened is the estate tax burden. We should proceed to do it.

U.S. NEGLECT HELPS MOSCOW

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 3, 1976

Mr. DERWINSKI. Mr. Speaker, today and tomorrow we will have extensive debate on foreign affairs since the measures before us naturally lend themselves to this subject. Since so many Members of the House have taken the position they are uniquely qualified to pontificate on the subject of foreign affairs, I am pleased to direct their attention to an article by a very distinguished citizen, acknowledged foreign affairs expert, and highly reputable Democratic Party leader in Illinois, Mr. Alex R. Seith, writing in the *Suburbanite Economist*, a publication serving south suburban Cook County, Ill., on February 22, 1976:

U.S. NEGLECT HELPS MOSCOW

(By Alex R. Seith)

They're smiling in Moscow. They're moaning in Washington. And we should all be sad. About what? About the nearly total takeover, in recent days, of the African nation of Angola by a self-styled Popular Movement which is coming to power with the aid of arms from Russia and Communist "volunteers" from Cuba.

The People's Republic of Angola. That is the name chosen by the Popular Movement for the regime it plans to impose on Angola. It is a name with a frightening sound. In China, in Vietnam and in other so-called People's Republics, the people who count are the ruling few who inflict a "dictatorship of the proletariat" in the name of the people who do not count.

Some optimists say that the Popular Movement is only using Communist rhetoric as a form of cheap talk: an easy way to pay a verbal debt of gratitude to the Soviets. Their hope is that the Popular Movement—once in power—will throw out the Communist Cubans and turn its back on Moscow.

But Angola's anti-Communist neighbors are not so sure. President Mobutu of Zaire,

Angola's neighbor on the north, and President Kenneth Kuanda of Zambia, Angola's neighbor on the east, are deeply apprehensive. Both fear that a Soviet-influence regime in Angola could serve as a base for attempted Communist subversion of their own countries. From there, Communists could launch subversion into still other African countries.

Africa falling domino-like to Communism. It is a terrifying prospect, but not a very likely one, say most "experts" on Africa. Yet, its mere potentiality should make us stop and think. Why is an enormous African nation now falling into the control of a Popular Movement which shares the rhetoric, if not the beliefs of Moscow's Communists? Why was America's aid to the foes of the Popular Movement too little and too late?

In one word, the answer to both questions is "neglect." For years, Washington's official attitude was that Africa scarcely existed and certainly did not matter. Presidents have been to Moscow and Peking. Secretaries of State regularly visit Europe, Asia and the Middle East. And now, after seven years as America's chief maker of foreign policy, Henry Kissinger is even making his first tour of Latin America.

But Africa is ignored. Since the late 1950s and early 1960s, when most of Africa's 46 nations gained their independence, no President or Secretary of State has visited the continent. Lack of visits are a symbol of Washington's profound indifference. In Washington's pecking order of power, Africa specialists are little noted and less remembered.

Yet, Africa is vital to America. Nigeria alone accounts for 25 per cent of our crude oil imports. Africa has the world's largest hydroelectric capacity, making it an increasingly desirable site for U.S. business. Africa's gas resources remain largely untapped. In many key minerals, Africa is America's key supplier. To cite a few, the U.S. imports 72 per cent of its cobalt, 51 per cent of its manganese, and 85 per cent of its uranium oxide from Africa.

Facts like these are no great secret. They are known equally in Moscow and Washington. But Moscow acted while Washington procrastinated. Ten years ago, Moscow saw that Angola offered a superb opportunity for Communist subversion. It was then that Moscow first started aiding the non-victorious Popular Movement.

Angola was the last colony of Europe's last colonial power. England, France and others had long since yielded independence to their former colonies. But a dictatorial regime in Portugal stubbornly—and stupidly—clung to the illusion that 300 years of colonialism could be indefinitely extended by force.

Even more stupidly, Washington policymakers clung blindly to their support of Portugal's colonialism. When Portugal's own regime collapsed in 1974, the collapse of colonialism in Angola was sure to follow. The only question was who would gain control of an independent Angola—forces backed by the Soviets or forces friendly to America.

Moscow boosted its own prospects by foreseeing that independence was inevitable. Thus, it hid the dictatorial doctrines of Communism in the popular guise of self-determination. Meanwhile, Washington betrayed America's own anti-colonial past by giving unqualified public support to Portugal's colonialists.

If we are lucky, the optimists may prove to be right. Angola's Popular Movement may bite the Communist hand that fed it. But luck is hardly the way to keep Africa from going Communist. And neither is neglect.

SENATE—Thursday, March 4, 1976

The Senate met at 12 meridian and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Hear the words of the Book of James: "Draw nigh to God, and He will draw nigh to you * * * Humble yourselves in the sight of the Lord, and He shall lift you up."—James 4: 8a, 10.

Let us pray:

O Thou by whose invisible presence and infinite power we are surrounded, before whose holiness we know how unholy we are and before whose strength we feel our weakness, we pause for the cleansing and renewing grace of this morning moment of prayer.

Impart to us Thy grace that we may be kindly disposed one to another. Grant to us strength sufficient for our work. Bestow upon us the higher wisdom which comes from above. Help us to do justly, to love mercy, and to walk humbly with our God.

Unite this Nation and its leaders to strive for that better world which is yet to come, when men study war no more, and peace and justice abides.

Through Him whose name is above every name. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, March 3, 1976, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees

be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SENATOR MANSFIELD ANNOUNCES HIS RETIREMENT

Mr. MANSFIELD. Mr. President, in 1942, I was elected for the first time to serve in the 78th Congress as a Representative of the people of the western district of Montana;

And, for an additional four consecutive terms, was reelected to the House.

In 1953, I entered the 83d Congress after being elected as a Senator from Montana and sworn as a Senator of the United States.

And, for three additional consecutive terms, was reelected to the Senate.

In 1957 the Senate elected me as majority whip and, in 1961, as majority leader.

The flow of responsibility has been continuous from 1943 onward.

These years in the Congress of the United States span a complete change in the membership of the Senate, except for the Senator from Mississippi (Mr. EASTLAND) and the Senator from Arkansas (Mr. McCLELLAN), both of whom entered the Senate in the same year of my entry into the House.

These years encompass:

One-sixth of the Nation's history since independence;

The administrations of seven Presidents;

The assassination of a President and other extreme outrages against human decency;

Able political leadership and seamy politics and chicanery;

The dawn of the nuclear age and men on the Moon;

A great war and a prelude to:

Two more wars and an uneasy peace; and

A dim perception of world order and an uncertain hope for international peace.

Through this and more, the Senate, together with the House, has been the people's institution. In all this and more, I have believed and believe it still, that the Federal Government will not atrophy and the people's liberties will be safe from tyranny if the Senate remains vigorous, independent, and vigilant. The Senate is stronger, more responsive, more alive, more innovative today, than it was at the time of my entry so many years ago.

As the 94th Congress—my 17th Congress—moves toward a close, I find myself in my 72d year. I am in good health and of clear mind. My interest in the Senate remains deep and I have not become indifferent to the Nation's affairs.

Insofar as running for the Senate again is concerned, in a constitutional sense, it is my judgment that only the people by their votes can deem a candidate too old for office. Or, to be sure, an incumbent may so deem himself. Either way, that is not a decisive factor in my own case.

My conclusion has been reached in this instance with my wife, Maureen Hayes Mansfield, who has been with me through all these years and whose sensitive counsel, deep understanding, and great love have been so much a part of whatever may be the sum of my contribution.

It seems to me that the time has come to perform a final public service; to the Nation, to the Senate, and to the people of Montana. A great public trust has been reposed in me in so many ways and for so many years. For whatever time remains to me I shall ever be grateful to the Nation, the Senate, and to my State for this confidence.

I ask now that this trust be shifted to other shoulders. In particular, I ask the people of Montana to tap a new source from within the State—a new source of dedication and leadership to send to the Senate in the 95th Congress.

There is a time to stay and a time to