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The regulations will control the use of donated funds, use of generated income, the kind of program to be conducted and the allocation and qualifications for scholarship assistance. This is not desirable for the future growth of either men's or women's athletics.

2. Income generated by football is a principal source of athletic income at many colleges and frequently finances the entire athletic program as well as the construction, maintenance and debt retirement of facilities. In many instances it has provided the funds for the present expansion of women's athletics. This will no longer be possible under the HEW regulations.

3. College football, developed over more than 100 years, has been more responsible than any other factor for the present wide public acceptance and support of college athletics and there has been no valid study undertaken by HEW, the Congress or any other government agency as to the destructive economic impact these regulations will have upon football as well as the financial structure of intercollegiate athletics for both men and women.

4. The Federal Government does *not* provide any financial assistance, insofar as we know, to intercollegiate athletics, but these Federal regulations mandate vast new expenditures while seriously damaging for the future the ability of men's sports to generate income. Therefore, we urge that Congress suspend these regulations and adopt legislation which would declare a moratorium on the application of HEW's rules to intercollegiate athletics during which HEW would be directed to study and report to Congress regarding (a) the need for such rules in light of the voluntary action being taken by colleges and (b) the economic impact of the rules on all facets of intercollegiate athletics and, in turn, the financial structure of the respective colleges and universities.

Darrell Royal, University of Texas, President, AFCA; Bob Blackman, University of Illinois, Past President, AFCA; Joe Yukica, Boston College; Jerry Claiborne, University of Maryland; Frank Broyles, University of Arkansas; Frank Kush, Arizona State University; Mike White, University of California, Berkeley; Tom Osborne, University of Nebraska; Bo Schembechler, University of Michigan.

CORPORATE PROFITS

Mr. FANNIN. Mr. President, a principal concern which I have expressed for some time and, I expect will find necessary to continue to express, is that of inadequate capital formation in the United States. The lack of concern for this essential ingredient in the American economic system confounds and distresses me. I do not understand why our Nation's significant lack of investment in the future is not an issue of intense public debate.

There are many individuals who forthrightly and eloquently state the case for increased saving as opposed to spending and consuming. Yet, their voices are seldom more than singular. The choruses which must vocalize on this important matter either have not formed or have not been heard.

The corporate entity which is an integral part of our economic system has been especially hard hit by public opinion and political pressures. The Wall Street Journal on June 19, 1975, printed an article regarding a poll taken by the Opinion Research Corp. of Princeton, N.J. The poll concerned the after-tax profits on sales for several categories of business. The survey indicates that the American adult believes the average manufacturer's after-tax profit is 33 percent, more than six times the actual amount. Automobile manufacturers were thought to have profits of 39 percent, more than 20 times the actual amount, and oil companies 61 percent, more than eight times the actual amount.

Mr. President, this poll frightens me. The lack of knowledge of actual facts should be disturbing to any person who maintains faith in the free enterprise system. It is obvious from this opinion poll that the present negative attitude toward corporations is based on misinformation.

Congress must share the blame for this appalling development. Many of my colleagues bemoaned the "X-rated" profits of the oil companies during recent debate on tax provisions relating to that industry. There have been no such thing as X-rated" profits. The acknowledged fact by anyone who cares to examine the facts is that oil companies have experienced a smaller after tax profit than the average American industry.

But where will this negative attitude lead us? It is clear that unless the real facts as to profits become common knowledge throughout the country, our Nation's economic well-being will wither away in a relatively short period of time.

It is also a well established fact that the United States lags behind most other industrial societies both in capital investment and productivity growth. This trend must be turned around before our proud belief in this Nation's affluence becomes as much a myth as the apparent belief in phenomenal corporate profits.

Capital formation depends greatly on the existence of profits. Our standard of living did not result from consuming but, rather, from saving. Governmental policies at one time encouraged saving and investing. This is no longer the case.

Mr. President, if this present anti-business, antiprofits attitude is to be changed, it is my conviction that Congress must lead the way. This great body not only represents the opinion of our constituents, it also formulates opinion as well. Congress must begin to recognize the real facts and act positively on them.

I ask unanimous consent that the Wall Street Journal article to which I referred above be printed in the RECORD.

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

Corporate Profits: In the public's eye, they're sky high.

Opinion Research Corp. polled a national sample of 1,209 adults recently, asking for their best estimate of the after-tax profit on each dollar of sales for several kinds of business. From its survey, the Princeton, N.J., concern found that the public's estimate of the average manufacturer's after-tax profits is 33%, more than six times the actual amount. Its estimate for auto companies' profit is 39%, more than 20 times the actual amount, and for oil companies, 61%, more than eight times the actual amount.

The public not only misses the mark on profit estimates, says Opinion Research, but its understanding of corporate profits is apparently worsening. In a similar survey in 1973, the public's estimate of the average manufacturer's after-tax profit was 28%, five points lower than the current guess.

Another finding: For the first time in 30 years, says Opinion Research, a majority of the public believes the government should put a limit on corporate profits.

PRESIDENT FORD'S VETO OF THE EMERGENCY HOUSING ACT OF 1975

Mr. MONDALE. Mr. President, I wish to express my extreme disappointment at the news that President Ford will veto the Emergency Housing Act of 1975.

The President's action in this regard is unfortunate—unfortunate for the thousands of unemployed workers in the construction industry, for the thousands of unemployed workers in related industries, for the businesses directly and indirectly engaged in construction activity, for thousands of Americans who want to purchase homes, for American families faced with mortgage foreclosures, and for the entire American economy.

This bill, which was approved overwhelmingly by both the House and the Senate, represented a thoughtful and progressive approach to our housing crisis.

First, the bill would establish a program under which middle-income families would have been able to obtain either a 6-percent mortgage for 3 years, with a gradual increase in the mortgage rate to market levels over 3 years, or a 7-percent mortgage for the life of the mortgage.

Second, the bill would provide a $1,000-incentive payment to help the homebuyer with the downpayment.

Can there be any doubt that these programs are urgently needed?

Unemployment in the construction industry is at 20 percent. In St. Paul, Minn., it is at 37 percent—with 40 percent unemployment in Phoenix, 49 percent in Miami, 32 percent in Newark, and 30 percent in Los Angeles. Within the building trades, the specific figures are shocking. Sixty-five percent of the plasterers in Minneapolis are out of work. Around the country, 80 percent of the boilermakers in Louisville are unemployed, 75 percent of the plasterers in Chicago, and 50 percent of the painters in Philadelphia.

In 1968, we set a national housing goal of 26 million units over a 10-year period. We should be building 2.8 million units this year. Yet, the annual rate of new housing starts is 1 million units per year—one-third of our goal.

What would this bill have done about the depression in housing we face?

This bill would have generated 800,000 new jobs. It would have generated $12 billion in production activity over the next year. It would have aided 400,000 middle-income families purchase homes.

Unfortunately, Mr. President, President Ford has chosen to veto this bill. While this action would have been ill-advised, and unfortunate under any circumstances, Mr. Ford's veto is particularly cruel and thoughtless because the President will kill one other feature of the bill.

This bill contained a provision designed to help 100,000 American families save their homes from foreclosure. I have been working on this program for more than 2 years. I offered this provision as an amendment to the housing bill during Senate consideration in April.

The bill would authorize the Department of Housing and Urban Development to make payments of up to $250 monthly for a period of no longer than 2 years on behalf of homeowners facing foreclosure because of unemployment or underemployment during our current economic difficulties.

With unemployment in this Nation at 9.2 percent, foreclosure has become an immediate and tragic problem for thousands of Americans. Because of President Ford's veto, these unfortunate citizens will lose their homes in the coming months.

I only wish the President had read my mail on this subject before he decided to veto this bill. I wish he would have read the letters from hundreds of Minnesotans who are literally terrified at the prospect of foreclosure. I wish Mr. Ford would have listened to their calls for help.

Mr. Ford's veto seems to have been based on the notion that this program is too costly. Surely, with respect to the foreclosure provision, he cannot use that rationale. The foreclosure relief payments will be repaid to the Federal Treasury—with interest. A similar program, enacted during the depression, closed its books with a profit.

With respect to the other features of the bill, it is estimated that the return to the Treasury will equal $3 for every dollar spent on the programs. There will be $12 billion in production activity over the next year. It is estimated that this bill would have reduced the Federal budget deficit by at least $1 billion.

This legislation is not inflationary, Mr. President. It is anti-inflationary.

I fear that we are seeing the reincarnation of Government by veto. Over the past several months, Mr. Ford has vetoed four extremely important economic measures—the emergency housing bill, the farm bill, the strip mining bill, and the emergency jobs bill.

In fact, Mr. Ford's overall statistics are becoming rather impressive. According to recent calculations, he has already vetoed more bills than either President Eisenhower or President Kennedy. He will now equal President Johnson's 5-year total.

I am extremely hopeful that Congress will override this veto. I am not particularly hopeful that we will be able to justify our failure to override to 100,000 American families who will be literally "out on the street."

WHERE OVERREGULATION CAN LEAD

Mr. FANNIN. Mr. President, for some time many leading scholars and writers have been analyzing and criticizing the Federal regulatory process.

No one has made a more effective case against regulation and in favor of regulatory reform than Dr. Murray L. Weidenbaum, the distinguished economist and author. Dr. Weidenbaum was an Assistant Secretary of the Treasury for Economic Policy during 1969–71 and is now director of the Center for the Study of American Business at Washington University in St. Louis, Mo.

Dr. Weidenbaum is also the author of numerous works on government and political economy, including an excellent study of Government regulation entitled: "Government-Mandated Price Increases," which was published by the American Enterprise Institute for Public Policy Research. I commend this book to my colleagues because it presents a definitive scholarly analysis of the effects of Government economic regulation.

Dr. Weidenbaum makes the point that regulation, however noble its purpose, generates costs as well as benefits. It is his thesis that the Federal Government is continually causing higher inflation through the regulatory scheme it promulgates, reinforced by a liberal monetary policy. He argues that there is a misconception among politicians that regulations is an inexpensive way for Government to enforce socially desirable requirements on business and to promote certain positive national objectives. In fact, regulation is really quite expensive to consumers.

To quote Dr. Weidenbaum:

> Although the costs of government regulation are not borne by the taxpayer directly, in large measure they show up in higher prices of the goods and services that consumers buy. These higher prices, we need to recognize, represent the 'hidden tax' which is shifted from the taxpayer to the consumer. Moreover, to the extent that government-mandated requirements impose similar costs on all price categories of a given product (say, automobiles), this hidden tax will tend to be more regressive than the federal income tax. That is, the costs may be a higher relative burden on lower income groups than on higher income groups.

Dr. Weidenbaum points out that with the expansion of Government control over the private sector, the tangible and intangible costs of regulatory activity will increase greatly. With a slowdown in productivity growth and a decline in the improvement of standards and the quality of life, we may no longer be so tolerant of such costly controls. It will thus be necessary to reexamine our regulatory system and consider moderating the stringent rules and regulations applied by Federal agencies. As Dr. Weidenbaum warns:

> If the trend (toward more frequent and costly government regulation) continues unchecked, the resulting loss in productivity could lead to stagnation in real living standards.

Dr. Weidenbaum believes that further expansion of Government control is not inevitable. Many controls expire or are lifted, and Federal administrators sometimes relax requirements or adopt less restrictive policies. Yet I think it unlikely that the agencies, which are insulated from popular control and operate out of self-preservation and inertia, will make the kind of sweeping changes which Dr. Weidenbaum suggests are needed. Only the Congress can properly perform that job.

In an interview published in the June issue of Nation's Business, under the heading "Where Overregulation Can Lead," Dr. Weidenbaum elaborates further on the problems that Government regulation have caused in the Nation's economy.

Dr. Weidenbaum points out that Government, through its regulatory function, has required certain actions in the private sector which have led to sharp increases in the costs of production and, in turn, to a steady rise in the prices of the goods and services hold to the public. In addition, ordinary business decisions are increasingly controlled and influenced by the actions of bureaucrats who are not responsive to the will of the people or the influences of the marketplace. In effect, as Dr. Weidenbaum illustrates, Government regulation is not only antibusiness but anticonsumer as well, for it leads to both a loss of managerial freedom and responsibility and an increase in costs to the public.

This informative article should be read by every Member of Congress. It should be reread by those Senate colleagues of mine who, in their enthusiasm for the interests of the harassed consumer, voted for legislation to create a new special agency for consumer protection. As Dr. Weidenbaum concludes:

> What all this so-called Government protection does is to protect the consumer against new products, new processes and lower prices.

The specific examples of governmental misregulation detailed in the interview are worth remembering the next time some well-intentioned, compassionate reformer proposes yet another agency, another bureaucracy to protect the taxpayers from certain evils of the marketplace.

Dr. Weidenbaum makes a number of points about the regulatory process that deserve emphasis.

First of all, Government agencies are responsible to a greater degree than many suppose for both our country's inflationary and unemployment problems.

Second, there is considerable duplication of effort, function and authority between agencies. While some agencies may regulate specific industries—for example, the FCC regulates broadcasting or the ICC railroads—others are concerned with only one aspect of business activity, but regulate several industries—such as EPA or OSHA. This has led in some instances to contradictory policies and rulings and confusion on the part of the public.

Third, consumers have been slow to perceive the indirect effects of regulation or to understand what has been happening to them as a result of what Dr. Weidenbaum refers to as "the new managerial revolution." The cost impact of regulatory activity is beginning to sink in, however. By contrast, businessmen have seen the problem more clearly because they have been the direct target of regulation. However, businesses have become too accustomed to the regulatory climate they have had to operate