

FIFTH DISTRICT REPORT BY CONGRESSMAN PAUL TSONGAS

TSONGAS FINDS ECONOMY AND ENERGY PRIMARY DISTRICT CONCERNS

During the past few weeks in August I have had an opportunity to speak personally with hundreds of Fifth District voters at town and city "Tell It To Your Congressman" sessions, during Congressional district office hours and at other functions. The Congressional pay raise, oil decontrol, the sale of wheat to Russia, and, of course, the economy were the issues uppermost in peoples' minds.

The effects of the nation's recession are evident in the Fifth District and Massachusetts. Latest figures released by the Massachusetts Division of Employment Security show the state unemployment rate for June reached 12.3 percent. Constituents are looking to the Congress to initiate an effective economic recovery program.

The Congress has taken action to alleviate some of the more serious effects of the recession. It passed the Emergency Jobs Bill which would have provided some 900,000 jobs for those now out of work.

While this legislation was vetoed by President Ford, a compromise \$2.9 billion measure is now generating public service, construction, and summer jobs. A local public works bill authorizing \$5 billion and providing an additional 200,000 local public works jobs has passed both Houses. Earlier in the year, Congress enacted a \$22.8 billion tax cut to stimulate the economy and adopted a resolution calling on the Federal Reserve to reduce interest rates. Passage of an emergency housing bill to generate housing starts and construction jobs was vetoed by the President, but a weaker compromise measure is now law.

More needs to be done, however, if we are going to make a significant dent in the unemployment rolls and curb continuing inflation. One area that is closely tied in with the state of the economy and in which neither Congress nor the President has shown much leadership is energy.

ENERGY

President Ford's intention to discontinue price controls on domestic oil is the hottest energy-related issue in the nation, judging from the comments of my fellow Fifth District residents. Most of those I spoke to were opposed to ending controls and I believe with good reason.

By the President's own admission, decontrol will lead to higher fuel prices. Administration aides say that gasoline prices may increase as much as seven cents a gallon as a direct result of deregulation. More significantly, the rate of inflation would head back into familiar double-digits.

There are serious doubts as to whether consumption will decrease as gas prices rise. Many workers have no choice but to commute to their job by car, while others use their cars throughout the work day.

According to the New England Economic Research Office, the second year following decontrol will see domestically produced gasoline and heating oil prices rise in New England by about \$204 million. In the third year following decontrol, New England homeowners and businesses can be expected to pay \$560 million above current levels.

THE GRAIN DEAL

Many consumers I spoke with were concerned about the inflationary effects of grain sales to the Soviet Union. Fortunately, the sales have been brought to a temporary halt so that the Agriculture Department can make a better estimate of this year's grain supply. Not long ago, Agriculture Secretary Earl Butz predicted a bumper wheat crop in the United States. However, Iowa farmers visiting my Washington office last month told me that a bumper wheat crop was out of the question. We have subsequently learned that these farmers had a far more accurate picture of United States wheat futures than did the Secretary of Agriculture.

The sale of surplus grain to the Soviet Union is not, in itself, bad for the nation. It helps our balance of payments and benefits the nation's farmers. However, if our wheat supply is not as plentiful as the Agriculture Department predicts, there is a danger that the Soviet Union could receive more American grain at a cheaper price than Americans themselves. A consequent grain shortage in the United States would drive meat, poultry, egg, and dairy prices sky high. Since cattle and poultry feed mainly on grain, an increase in the price of grain will mean an increase in the price of cattle and poultry by-products. These are some of the concerns that opponents of the proposed grain sale have raised.

At every public meeting I have attended during the recess, a recurring theme has been the Congressional pay raise. I voted against the pay raise for two reasons. First, in light of the state of the economy, it seemed particularly ill-timed. Second, I do not believe that members of Congress should vote to give themselves a higher salary than that at which they were elected.

When the Congress resumes in September, it will once again take up energy conservation, consumer protection, and other vital legislation. I hope that this August recess has been as valuable to my colleagues in the House as it has been to me in reminding us of the major concerns of our constituents and of the improved performance the nation expects from the Congress.